



U.S. DEPARTMENT OF DEFENSE

2008 Enterprise Transition Plan ETP

SEPTEMBER 30, 2008



Report Documentation Page			Form Approved OMB No. 0704-0188		
Public reporting burden for the collection of information is estimated to average 1 hour per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to Washington Headquarters Services, Directorate for Information Operations and Reports, 1215 Jefferson Davis Highway, Suite 1204, Arlington VA 22202-4302. Respondents should be aware that notwithstanding any other provision of law, no person shall be subject to a penalty for failing to comply with a collection of information if it does not display a currently valid OMB control number.					
1. REPORT DATE 30 SEP 2008		2. REPORT TYPE		3. DATES COVERED 00-00-2008 to 00-00-2008	
4. TITLE AND SUBTITLE 2008 Enterprise Transition Plan ETP			5a. CONTRACT NUMBER		
			5b. GRANT NUMBER		
			5c. PROGRAM ELEMENT NUMBER		
6. AUTHOR(S)			5d. PROJECT NUMBER		
			5e. TASK NUMBER		
			5f. WORK UNIT NUMBER		
7. PERFORMING ORGANIZATION NAME(S) AND ADDRESS(ES) Department of Defense, Washington, DC			8. PERFORMING ORGANIZATION REPORT NUMBER		
9. SPONSORING/MONITORING AGENCY NAME(S) AND ADDRESS(ES)			10. SPONSOR/MONITOR'S ACRONYM(S)		
			11. SPONSOR/MONITOR'S REPORT NUMBER(S)		
12. DISTRIBUTION/AVAILABILITY STATEMENT Approved for public release; distribution unlimited					
13. SUPPLEMENTARY NOTES					
14. ABSTRACT					
15. SUBJECT TERMS					
16. SECURITY CLASSIFICATION OF:			17. LIMITATION OF ABSTRACT Same as Report (SAR)	18. NUMBER OF PAGES 398	19a. NAME OF RESPONSIBLE PERSON
a. REPORT unclassified	b. ABSTRACT unclassified	c. THIS PAGE unclassified			

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Foreword



DEPUTY SECRETARY OF DEFENSE
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WASHINGTON, DC 20301-1010

OCT 17 2008

October 2008 marks the Department's fourth delivery to Congress of an integrated Enterprise Transition Plan (ETP). Building on the call of the *2001 Quadrennial Defense Review* to transform the way that the Department of Defense (DoD) does business, the ETP has helped the Department make steady, significant progress delivering business capabilities to the Warfighter while increasing financial transparency and accountability to the American people. The ETP has become part of the business operations culture of DoD and is the framework that integrates capabilities across the Department.

Realizing efficiency and improving effectiveness in the Department's business operations are key objectives of the Department's senior leaders. The Department requires the ability to respond to new operational requirements quickly and with agility, enabled by proficient "back office" capabilities. The ETP provides a comprehensive view of the systems and initiatives that focus and accelerate business operations of the DoD.

The Department remains committed to results-oriented, proactive optimization of its business operations. It is important for the Department to sustain its momentum and dedication to achieve the goal of faster, better delivery of capabilities to the Warfighter. This ETP represents the foundation for the next administration to continue to improve the Department's business operation.

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Section I: Defense Business Transformation



Chapter 1: Approach, Progress and Challenges

Introduction

On Inauguration Day in 2009, the country will witness the first wartime change of Presidents in more than 40 years. To make this unique transfer of power as successful as possible, the outgoing administration must do all it can to enable the incoming administration to do its job from day one. The Department's leadership has recognized this challenge and has called on its senior leaders to plan, develop and execute the activities needed to meet it. Gordon England, Deputy Secretary of Defense, has asked these leaders to make their processes as straightforward and understandable as possible, so the next administration can begin with as little confusion as possible.

"I don't want to hand any bowls of spaghetti over to the next administration. We will bring things to a conclusion, or at least have things packaged in a way that they can easily transition to the next team. The best thing we can do for the next team is to have our processes as good as we can get them—as straightforward and understandable—so we can move in the next administration with as little confusion as possible."

—Gordon England, Deputy Secretary of Defense

As one part of meeting this transition challenge, this administration's final Enterprise Transition Plan (ETP) includes a primer for Department of Defense (DoD) Business Transformation. The primer—Approach, Progress and Challenges, is intended for incoming DoD leaders to acquaint them with the current context and approach to Business Transformation, recent progress and the near-term challenges ahead.

The **Approach** section describes the governance, oversight and approach for implementing business transformation. Using this approach during the past four years, the Department has made significant progress, not only in the business capabilities it has improved, but also in the fundamental ways in which it thinks about business operations and the methods to achieve transformation.

The **Progress** section highlights the transformation brought about by the requirements of the Fiscal Year 2005 and 2008 National Defense Authorization Acts (NDAA's). The FY05 NDAA required the Department to develop an enterprise architecture, a transition plan and a governance plan for business systems modernization. The FY08 NDAA codified the Deputy Secretary of Defense as the Department's Chief Management Officer and required the Department to develop and submit to Congress a Strategic Management Plan (SMP). This ETP aligns with the SMP's strategic framework goals, which include business priorities that affect business system transformation across the Department. This section also describes noteworthy activities and accomplishments. These accomplishments include significant governance and process changes that have driven DoD business transformation forward.

The ETP describes what the Department is trying to achieve and by when it will achieve it. It establishes a program baseline from which to measure progress. The ETP integrates the transition plans across the Business Mission Area and throughout the six Components.

In the **Challenges** section, the primer concludes with a brief discussion of the business transformation challenges that will confront the new administration during its first months in office.

This primer provides the context and perspective for understanding the information provided throughout the ETP. Since the ETP is the plan for the coming year, the next administration will execute the preponderance of this plan. The ETP not only responds to the requirements of the FY05 NDAA, but it also provides a basis for understanding the Department's transformation progress and its plans for the coming year.



Approach

DoD's business Enterprise must be closer to its warfighting customers than ever before. Joint military requirements drive the need for greater commonality and integration of business and financial operations. Changes in the nature of military operations place increased pressure on the business infrastructure to provide mission-driven, adaptive and agile services and information. The warfighter relies more on system responsiveness and agility and less on mass. To support this transition, defense business operations must be as nimble, adaptive and accountable as any organization in the world. The conceptual context for this approach includes business transformation oversight, strategic objectives and tiered accountability. These concepts provide the foundation for the Department's approach to business transformation.

Business Transformation Oversight, Strategic Objectives and Tiered Accountability

To oversee its business transformation efforts, the Department established the Defense Business Systems Management Committee (DBSMC) in 2005. It has the responsibility for approving: business systems information technology (IT) modernizations valued at more than \$1 million (M), the Business Enterprise Architecture and the Enterprise Transition Plan. The Deputy Secretary of Defense chairs the DBSMC and its members include the Secretary's Principal Staff Assistants, the Secretaries of the Military Services and the Joint Chiefs of Staff.

The Department has organized its business transformation around the accomplishment of four strategic objectives, each of which illustrates a different aspect of the total transformation challenge. As shown in Figure 1-1, these objectives shape the Department's priorities and serve as checkpoints for the assessment of the business transformation effort. The overall purpose of the DoD Enterprise is to ensure that the Department rapidly delivers the right capabilities, resources and materiel to our warfighters—what they need, where they need it and when they need it.



Figure 1-1 Business Transformation Strategic Objectives

To achieve its business transformation strategic objectives, the Department has identified a core set of six Business Enterprise Priorities, as shown in Figure 1-2. These priorities represent the areas that will bring the most dramatic and immediate capability improvements to the Department. Each Business Enterprise Priority takes into account the critical warfighter and business requirements that cut across multiple functional units to achieve optimal results. The purpose of each priority is to drive needed changes in the Department's business operations.



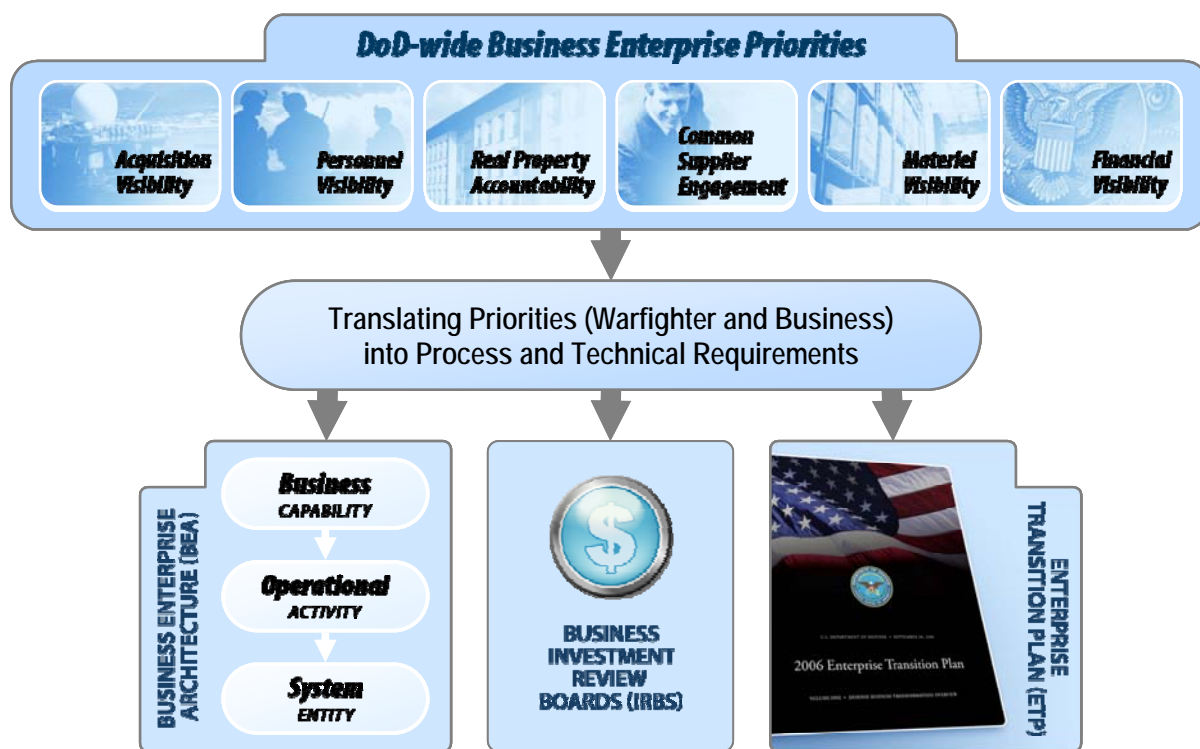


Figure 1-2: The Path to DoD-wide Business Agility and Information Visibility

The Business Enterprise Priorities' requirements, their associated process and technical requirements are embedded in the Business Enterprise Architecture (BEA). As such, the BEA guides the evolution of DoD business capabilities Enterprise-wide and explains what DoD must do to achieve interoperable business processes. The BEA provides context and relevance to the priorities by embodying applicable laws, regulations, policies and standards. While the BEA is the blueprint, the Department must also provide the roadmap for how DoD will transition to the target business capabilities. The ETP is the roadmap that provides integrated schedules, metrics and resources that guide the incremental releases of target solutions.

The users of the BEA and ETP, just to mention a few, are the DBSMC, the Investment Review Boards (IRBs), the Department's Chief Information Officers, program managers and functional specialists. The BEA and ETP are transforming how the Department manages its business systems investments. The IRBs and the DBSMC use these products to constrain redundant IT investments and to validate gaps in required business capabilities.

The Business Enterprise Priorities are appropriately centered on the needs of the DoD Enterprise. This focus recognizes that the Department's Enterprise requires more in the area of Enterprise-wide data standards and business rules than in the area of hands-on operational business execution, which falls more in the hands of the Components. Finding the right balance between the priorities of the Enterprise and the priorities of its Components is a challenge in any large, complex organization.

The DBSMC, in its role of providing strategic oversight for business transformation across the Department, has led the way in striking that balance under a concept called tiered accountability. Tiered accountability, depicted in Figure 1-3, is a strategic concept that requires each tier in the DoD organizational hierarchy to focus on those requirements that are relevant for that specific tier, while also being responsible and accountable to the tiers above and below it.



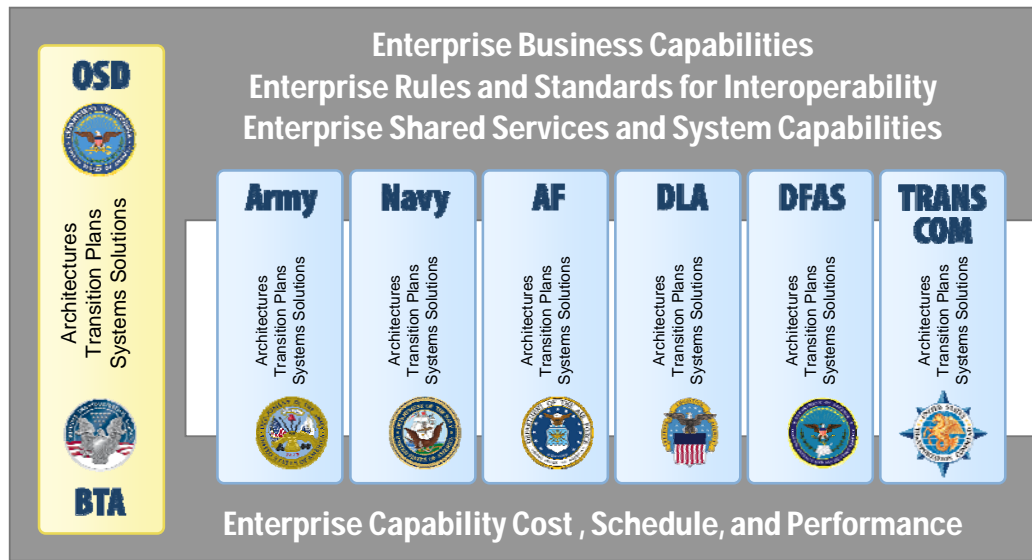


Figure 1-3: Tiered Accountability

The Department is working to institutionalize tiered accountability by:

- Establishing common business capabilities, data standards and Enterprise-wide systems.
- Dividing the management of business transformation programs, as appropriate, between the DoD Enterprise and the Component Enterprises.
- Establishing a tiered process for control and accountability over IT investments for both DoD Enterprise-level and Component-level business system transformation.
- Managing performance with metrics and milestones at each tier.

An example of the implementation of tiered accountability is the Department's Federation Strategy. Realization of the Federation Strategy will provide for the alignment of the BEA and ETP with the Components' Enterprise Architectures and transition plans, while preserving the Components' autonomy to define and develop their business capabilities.

Business Transformation Approach

The Department based its business transformation approach on the conceptual context just described. This process is capability-driven, program-enabled and architecture-guided:

- **Capability-driven:** Focus is on improving capabilities to better support the warfighting mission, enabling rapid access to information for strategic decisions, reducing the cost of business operations and improving financial stewardship.
- **Program-enabled:** Programs oversee implementation of systems and initiatives that improve or provide specific capabilities.
- **Architecture-guided:** The Business Enterprise Architecture and federated architectures provide a common reference to achieve interoperability and integration of business systems and processes.

Chapters 3-10 report on the progress and plans for improving business capabilities through the development and implementation of target transformation programs.



Progress

The Department's Business Transformation approach provides the foundation for the steady progress it made during the past four years. DoD uses this approach to satisfy the requirements of the FY05 and FY08 NDAA's. Highlights of this progress are described in the following two sections.

The Department understands that business transformation is a marathon, not a sprint. Consistent with this understanding, DoD has made steady, significant progress.

Fiscal Year 2005 through 2007

The FY05 NDAA required the Department to establish the DBSMC and five functional IRBs to oversee business systems modernization. These governance bodies have responsibility for reviewing and approving: business systems IT modernizations valued at more than \$1 million, the Business Enterprise Architecture and the Enterprise Transition Plan. The Deputy Secretary of Defense chairs the DBSMC and its members include the Secretary's Principal Staff Assistants, the Secretaries of the Military Services and the Joint Chiefs of Staff.

DoD met this statutory requirement and since then continues to improve the governance of its business operations through refinements to the DBSMC and IRB governance structure. The DBSMC, which serves as the overarching governance board for business operations, guides business transformation and oversees the Enterprise.

As an example, during its first meeting, the DBSMC leadership focused on the Defense Integrated Military Human Resource System (DIMHRS), recognizing that it was critical to achieving accurate pay by deploying an integrated personnel and pay solution. The committee reviewed DIMHRS' progress and then requested additional information for analysis. Given its importance to the Enterprise, the DBSMC required regular DIMHRS progress reports and has remained actively engaged in the oversight of the fielding of the DIMHRS program. The full DIMHRS program dashboard can be found on page 41.

By the end of FY05, the Department also understood that to ensure consistency and expediency across the Enterprise, it would need a common policy for all IRBs to follow. An important objective of that policy is the implementation of tiered accountability. DoD leaders recognized that tiered accountability responded to the statutory nature of the Department. The Department also recognized that it could not transform itself overnight and needed to establish strong foundations upon which it could build. Consequently, the Department established a clearly defined and bounded governance structure with specific responsibilities and equipped it with standard policies for which there was broad agreement. DBSMC leaders quickly realized that the ultimate transformation of the Department's business operations depended on the acceptance and support of this governance structure throughout DoD.

From the Spring of 2005 to the Fall of 2007, the DBSMC approved funding for 304 individual systems, representing \$7.5B in modernization investment funding. These approvals did not always result in optimal Enterprise solutions. The FY05 NDAA assigned the Secretary's Principal Staff Assistants overall responsibility for oversight of the business capabilities within their specific business areas. This reinforced a "stove-piped" rather than an Enterprise perspective for IT investments. Fortunately, DBSMC/IRB leaders recognized this reality in FY07. To improve collaboration and discussion across the IRBs, monthly IRB chair meetings were held. In addition, the chairs agreed to conduct "combined" IRB meetings to focus on the implementation of Enterprise Resource Planning systems. Combined IRB meetings were attended by representatives of all IRBs. At these sessions, the participants were asked to adopt an Enterprise perspective, so that the combined IRB could provide the best advice to the DBSMC.

As IRB/DBSMC decision makers began to discharge their Enterprise-level responsibilities, they required better information to make decisions. The DBSMC wanted to know why it took so long for programs to develop capabilities and why some programs did not deliver capabilities as planned. To address these questions the Department piloted a new concept called Enterprise Risk Assessment Methodology (ERAM) in FY07. Under the pilot concept, the Department created teams comprised of industry experts who had successfully implemented IT solutions in the commercial or Government environments. The ERAM Team conducted site visits in which they worked face-to-face with the program management office staff to identify program vulnerabilities and to provide mitigation solutions. Decision makers realized that ERAM gave them valuable



insights into programs. The IRBs and the Under Secretary of Defense (Acquisition, Technology and Logistics) (USD(AT&L)) began to rely on ERAM information to help them make better recommendations to the DBSMC. Currently, there are eight major automated information systems (MAIS) under BCL and the Department expects that all new business MAIS will utilize it.

Just as business transformation governance is evolving, so too is the use of the BEA. It allows the Department to establish benchmarks for the alignment of business systems to the Department's future business environment. At first, the mapping process for assessing compliance was manual. Compliance initially focused on laws, regulations, policies, and limited data standards. As priorities change and investment management capabilities mature, the BEA will continue to evolve and compliance requirements will become more rigorous and more focused on information assurance, interoperability, data standards and end-to-end processes.

As the governance structure and the BEA have evolved, so too has the ETP. To help guide business transformation efforts, the Department released its first integrated ETP on September 30, 2005. For the first time, the Department provided its internal and external stakeholders a comprehensive view of the systems and initiatives that will transform the largest business entity in the world. This integrated 2008 ETP displays the progress the Department has made and sets a course for the year ahead.

The Department soon capitalized on its transformational foundation to address the revitalization of the Iraqi economy. The Deputy Secretary of Defense established the Task Force to Improve Business and Stability Operations in Iraq (TFBSO) in June 2006 and appointed the Deputy Under Secretary of Defense for Business Transformation to lead the Department's efforts to stimulate economic growth to counter an insurgency fueled by rampant unemployment and lack of economic opportunity. The Task Force evaluated DoD business operations and associated systems in use in Iraq affecting contracting, logistics, funds distribution and financial management to ensure the systems' capabilities supported achievement of the theater commander's goals for reconstruction and economic development. More information about the Task Force is on page 11.

Not long after the Department's business transformation began in earnest, its leaders decided to institutionalize its day-to-day management. In October 2005, the then-acting Deputy Secretary of Defense established the Defense Business Transformation Agency (BTA). The BTA manages the Department's business transformation effort at the Enterprise level and supports the DBSMC and the IRBs.

Fiscal Year 2008

This past year, the Department continued to build upon the transformation foundation first established in FY05, supported by lessons learned. DoD satisfied new requirements established by Section 904 of the FY08 NDAA, delivered the Performance Improvement Officer Plan, institutionalized Lean Six Sigma (LSS), created a transformed process for security clearance suitability and made additional progress made through the efforts of the Task Force to Improve Business and Stability Operations in Iraq. Each of these initiatives is described below.

Section 904 of the FY08 NDAA

Section 904 of the FY08 NDAA codifies the Deputy Secretary's role as the Department's CMO. The section also created the position of the Deputy Chief Management Officer (DCMO) to assist the CMO to effectively and efficiently organize the Department's business operations. In July 2008, the Department submitted to Congress a plan for implementing the CMO and DCMO positions. In the implementation plan, the Secretary of Defense assigned these duties to the CMO:

- Ensure Department-wide capability to carry out the strategic plan of the Department of Defense in support of national security objectives.
- Ensure the core business missions of the Department are optimally aligned to support the Department's warfighting mission.
- Establish performance goals and measures for improving and evaluating overall economy, efficiency and effectiveness and monitor and measure the progress of the Department.
- Develop and maintain a Department-wide strategic plan for business.



The DCMO, when appointed and confirmed, will be the Principal Staff Assistant and advisor to the DoD CMO for matters relating to Defense-wide business operations. The DCMO will oversee a small office element outside of the Secretary's immediate office. Acting through the CMO, the DCMO will:

- Synchronize, integrate and align business operations of the Department.
- Develop and periodically update the DoD Strategic Management Plan.
- Supervise the Director of the Business Transformation Agency.

Additionally, the office of the DCMO will oversee the responsibilities of the Performance Improvement Officer, as specified in Executive Order 13450. These duties include developing Enterprise performance goals, synchronizing strategic plans and reporting on performance results.

Section 904 also directed the Department to develop and submit to Congress its Strategic Management Plan (SMP). The Department submitted its inaugural SMP at the end of July. It is a first step toward providing Congress a comprehensive plan and it will serve as a framework for future updates. It describes how each element of the Department's current strategic management approach is used to define, execute and measure the performance of business operations. These elements are:

- **The Strategic Management Framework:** The planning and analysis steps used to translate Administration priorities for national defense into defense strategic goals that can be cascaded through to the Military Services and Defense Agencies to be used to develop supporting execution and resource strategies. The Department's strategic goals include priorities for business transformation, as defined by the Department's overarching strategic guidance documents and supporting guidance issued by functional and enterprise managers.
- **The Strategic Management Decision Process:** The information-gathering protocols, databases, analysis procedures and issue-resolution forums used by the Secretary and his senior staff to raise questions, adjudicate disagreements and finally to come to consensus on the specific steps needed to be taken to achieve performance goals. This process also provides information needed to monitor and assess results. During this decision process, recommendations for implementing business transformation are balanced against other Departmental priorities and finalized for inclusion in the DoD portion of the President's Budget.
- **Strategic Governance and Advice:** The groups and boards that draw their membership primarily from the Secretary's senior staff and key advisors and which are matrixed within the management framework and across decision processes to provide an informed baseline for the Secretary's decisions.

Section 904 also requires the Secretaries of the Military Departments to designate their Under Secretaries as Chief Management Officers and to give them the primary management responsibility for business operations. The Department submitted its plan for implementing the Military Departments' CMO positions in July 2008.

Performance Improvement Officer

On November 13, 2007, President Bush signed Executive Order 13450, *Improving Government Program Performance*, which directed all federal departments to appoint a Performance Improvement Officer (PIO) with the goal of spending taxpayer dollars effectively and more effectively each year.

The Department of Defense is the largest and most complex organization in the world. It manages a budget more than twice that of the world's largest corporation, employs more people than the population of a third of the world's countries, provides medical care for as many patients as the largest health management organization and carries 500 times the number of inventory items as the world's largest commercial retail operation. Managing and improving the performance of such a complex Enterprise requires strong strategic alignment among its disparate component organizations and the implementation of an effective plan.

The Principal Deputy Under Secretary of Defense for Business Transformation has been appointed as the DoD Performance Improvement Officer. As directed by the President's Executive Order, the PIO, among other things, supervises the performance management activities of the Department, advises the Secretary of Defense on performance goals and measures and convenes the appropriate agency personnel throughout the year to



assess and improve program performance and efficiency. Additionally, the Performance Improvement Officer represents DoD on the Office of Management and Budget Performance Improvement Council.

The DoD PIO Implementation Plan, published in March 2008, lays out the focus and priorities of the new DoD PIO and the steps that the PIO will take to satisfy the requirements of the President's Executive Order and improve the performance of the Department.

While the Department's size and complexity is daunting, it is by no means unmanageable. The initial implementation of the DoD PIO Plan focuses on three main areas:

- Ensure the Department tracks measurable outcomes and appropriate milestones in its internally identified Transformation Priority Areas and in the Government Accountability Office's (GAO) identified High Risk Areas.
- Align and integrate the current performance improvement and management functions of the Department. The PIO will as necessary:
 - Create goals and plans to achieve those goals.
 - Develop metrics to measure progress toward achieving those goals.
 - Define accountability for progress against those goals.
 - Provide visibility into progress against those goals.
- Work with other stakeholders in DoD to implement the requirements for the Department contained in the FY08 National Defense Authorization Act (NDAA) Section 904. This specifically includes the requirement for the creation of a SMP for the Department.

The Department is already making progress in these areas as evidenced by the publication of its inaugural SMP. It supports the Department's concept of tiered accountability by creating high-level management goals and objectives to which each organization's individual strategic plans can align. The SMP also makes explicit in the Department's strategic management framework, the need to tie organizational sub-objectives with rigorous, outcome-focused measures and appropriate milestones.

Chapter 13, Alignment of DoD Business Transformation Plans and Reports, provides more information on the SMP, as well as the ETP's linkages to the Department's other strategic plans.

Lean Six Sigma

On May 15, 2008, the Deputy Secretary of Defense directed that the Department adopt Lean Six Sigma (LSS) to improve productivity, mission performance, safety, flexibility and energy efficiency. LSS seeks to reduce variability in process execution and to eliminate waste. The new directive institutionalizes the Department's plan to make LSS and Continuous Process Improvement (CPI) a permanent part of DoD culture. It establishes policy and assigns responsibilities for making CPI/LSS one of the primary approaches for assessing and improving the efficiency and effectiveness of DoD processes in support of the Department's national defense mission. The directive calls on DoD Components to use CPI/LSS concepts and tools to improve the full range of processes and activities within their operations, including decision-making processes.

This directive built on the foundation laid in April 2007 when the Department established the DoD Lean Six Sigma Program Office. Since the Department established the program office, it has made significant progress. Training classes have been established and completed and projects have been executed that yielded savings of time and money. The program office has created performance measures and is tracking them. The Department as a whole has completed over 14,000 projects. The CPI/LSS office trains, mentors and documents results at the OSD level. To date, 109 completed projects, with a measurable outcome, have resulted in a:

- Reduction of 23,216 process days
- Cost avoidance of \$600,000

As customer requirements and priorities evolve, it is crucial that the Department has the agility and flexibility to meet its needs in the most effective way possible. Lean Six Sigma is a disciplined improvement methodology that utilizes a combination of rigorous analytics and common sense to create efficient and effective processes.



Lean Six Sigma provides a framework through which complicated processes can be examined in an organized and understandable way, thereby allowing people to identify where specific inefficiencies reside and then eliminating them. At the end of the day, it is leaders that make Lean Six Sigma successful, not the other way around. Leadership coupled with clear objectives, projects with impact, rigorous tracking and a robust recognition program are key to driving the successful deployment of Lean Six Sigma across DoD.

Case in Point: LSS Project—Shipping Container Management

Two Black Belts from the DoD Lean Six Sigma Program Office accelerated efforts to manage shipping containers in Kuwait early this summer. The Black Belts spent a week in June at Camp Arifjan, Kuwait, clarifying the container management problem and developing new, end-to-end process maps.

They supported projects originally started by the 1182nd Transportation Terminal Battalion. Its commander, Lieutenant Colonel Becky Upton, U.S. Army, appreciated their help. “From my perspective here in theater, their visit was tremendously useful. Many organizations say, ‘we’re here to serve the Warfighter’, but when it gets right down to it, few are willing or able to come over here, roll up their sleeves and help,” she said. “As a result of their efforts, we are much further ahead in our current projects and we are confident that we will complete them on time,” Lieutenant Colonel Upton said.

“From my perspective here in theater, their visit was tremendously useful. Many organizations say, ‘we’re here to serve the Warfighter’, but when it gets right down to it, few are willing or able to come over here, roll up their sleeves and help.”

—Lieutenant Colonel Becky Upton

The cost of container management in Iraq and Afghanistan has been a high visibility issue since 2004. The Department leases large metal containers for logistics shipments, but the leases include “detention costs” for any containers held for more than ten days following delivery to the port. These detention costs were exceeding \$12M a month for Iraq operations. While everyone understands the need to return a rental car, nearly no one applies this analogy to the need to return shipping containers.

The Black Belts said this behavior was partially explained by how people perceived the empty containers. They were not regarded as rental cars to return, but as gigantic cardboard boxes with lots of other uses. Soldiers used them as barracks. Commanders buried them in dirt berms to provide protection for their forces. Supply clerks turned them into warehouses.

The other part of the problem was access to reliable data. The Soldiers needed data that could tell the commander how many containers were not accounted for in the records. The databases were not providing this visibility.

Once the Black Belts arrived in Kuwait, they immersed themselves in the project. Part of the team created a data collection/analysis plan and the rest developed the detailed “as is” process maps. The team soon learned there was no substitute for working face-to-face with the Soldiers in the 1182nd. It was not a problem that could be addressed and resolved through e-mails with attachments. The team had to stand in front of the white board and write the processes on it with help from the 1182nd. The Black Belts believed this collaboration resulted in making six months of progress on the projects in a six-day visit.

Completion of these projects will result in high visibility databases and the implementation of improved processes aimed at preventing detention costs on containers.



Security Clearance Process Reform

One of the most ambitious CPI/LSS projects the Department has ever participated in is an end-to-end reform of the Government's security clearance process. DoD has worked on this project in close cooperation with the Office of the Director of National Intelligence, the Office of Management and Budget and the Office of Personnel Management. The team began work on this project in June 2007 and it has developed a vision of a transformed clearance process and included it in its April 30, 2008 report to the President.

The team developed a transformed process that employs updated standards, methods, tools and technologies to ensure effective and efficient performance across the U.S. government. It is presently working on ways to prove the innovations in the transformed process and has begun drafting the policy changes that ultimately will be needed to enable the change. It is important to note that the team's work has always been to create a transformed process and to define a desired future state. The goal is to go beyond adding an IT modernization to the existing cumbersome process.

The challenge for those involved in the process is to manage an end-to-end process across the federal government and to optimize each segment of the process (application, investigation, adjudication, aftercare) as well as the flow between them. For example, reductions in the backlog in investigations, though essential, may translate to work accumulating in other areas, such as adjudication facilities, unless all are working with the end-to-end perspective in mind. That is the vision of the future state: to find end-to-end solutions and improve the experience of the agency and individuals the process is trying to serve.

Case in Point: Defense Information System for Security (DISS)

DISS is the vehicle through which the Department is revolutionizing the hiring and clearing process. DISS is reforming processes for determining eligibility for access to classified information, determining suitability for federal employment, determining eligibility to work on a federal contract and granting access to federally controlled facilities and information systems. When fully implemented DISS will support reform activities that will enable the Department to make initial security decisions in 60 days, as required by the Intelligence Reform and Terrorism Protection Act of 2004.

DISS focuses on reengineering business processes, while leveraging technology to accelerate the security clearance process. The end result will be a single, end-to-end, secure, authoritative system within the Department of Defense for timely dissemination of and access to security information. Central to the success of the DISS program is the design, development, testing and implementation of end-to-end information technology.

Benefits of DISS support the Joint Security and Suitability Process Reform's Initial Report.

- More relevant information is collected and validated at the beginning of the process, using the application, automated record checks and subject interview.
- Automation is used to expedite the process, streamline, reduce manual activity and leverage additional data sources.
- Field investigative activity is focused to collect and validate targeted information.
- Risk decisions rely on modern analytic methods, rather than on practices that avoid risk.
- Relevant data is better used for subsequent hiring or clearing decisions reducing duplication of requests and ensuring consistent quality and standards.
- Continuous evaluation techniques replace periodic reinvestigations, utilizing more frequent automated database checks to identify security relevant issues among already cleared personnel, permitting targeted resolution of cases as issues arise.

Work within the Department is underway.



Task Force to Improve Business and Stability Operations in Iraq

The Department's Task Force to Improve Business and Stability Operations in Iraq (TFBSO), established in 2006, supports security and reconstruction efforts in Iraq by working to revitalize the Iraqi economy and reduce the high unemployment facing Iraqis today. It is widely acknowledged that economic hardship has contributed to violence and instability. The Department has recognized that security and economic reconstruction must go hand in hand in Iraq.

Developing the Iraqi economy is vital to rebuilding Iraqi society. The sustained security improvements in Iraq have allowed work to begin on the various components of economic development and have created opportunities for investment in an emerging free market economy.

The Government of Iraq has initiated efforts to build the policy and legal structure at the macroeconomic level and other efforts are underway at the small business grassroots level directed at micro loans and local assistance. The TFBSO is working on tactical initiatives that enable restarting of the core industrial engine of the economy such as reemployment, supply chain integration and private investment. In partnership with the Government of Iraq, the TFBSO is pursuing a comprehensive economic restoration plan with seven areas of focus:

- Foreign Direct Investment/Private Investment: Facilitating rapid private direct investment opportunities from financial institutions, private equity and corporations.
- Privatization: Supporting the Iraqi Ministries and Iraqi investment commission with developing transparent processes for evaluating and awarding contracts and joint ventures as the first steps in the privatization of state owned enterprises.
- Market Demand Establishment and Restoration: Recreating intra-Iraq demand among factories, facilitating global supply chain agreements and joint ventures.
- Industrial Capacity Restoration: Restarting and restoring production to the Iraqi industrial base.
- Direct Economic Stimulus/Contracting: Developing policies, processes and systems to enable and encourage U.S. government contracting with private Iraqi businesses through the Iraqi First Program.
- Banking and Financial Networks: Developing electronic banking capabilities and establishing financial systems.
- Communications Infrastructure: Supporting the development of necessary wireless and wire-line communications infrastructure capable of supporting growing economic activity.

These economic development efforts have resulted in over 100,000 sustained manufacturing and professional jobs in Iraq. The first steps have been taken towards privatizing Iraqi state owned enterprises and developing the private sector and entrepreneurial base of the future Iraqi economy. The TFBSO continues to work in partnership with the Government of Iraq to stimulate rapid establishment of the necessary elements of a modern industrial economy as an essential pillar of success for Iraq.

During the past year, factories have restarted production, Iraqis have been returning to work and the industrial capacity of Iraq was being restored. Reestablishing the Iraqi business value chain is a key component of this effort. Examples can be found in the manufacturing sector. In late October 2007, the Task Force assisted a generator contractor in providing electrical generators to Fallujah Cement, so that it could restart cement production. This arrangement allowed Fallujah Cement to produce cement and then give it to the generator contractor. This short-term solution helped restart cement production, while efforts to provide stable power continued.

A tractor assembly factory, located in a strategic location, had been identified by Multi National Force-Iraq as critical. In late January 2008, components to build 200 tractors were procured through a major international supplier. Purchase of these kits supported efforts to restart the factory, reestablish relations with the international community and reconnect with the Iraqi marketplace. The tractors will be sold to farmers and government entities to rebuild the country's agricultural base.



Support to the Unified Combatant Commands' (UCCs') Transformation

The Department is responding to immediate and urgent Business Enterprise Priority shortfalls adversely impacting the warfighting effectiveness of one or more Unified Combatant Commands. Solutions, identified in coordination with appropriate stakeholders, augment and support DoD's long-term defense business transformation initiatives.

U.S. European Command (EUCOM) and U.S. Africa Command (AFRICOM) are challenged to apply their resources to promote peace. Meeting this challenge requires a rethinking and realignment in the traditional role of a unified command. The Department is using its transformational skills to help EUCOM and AFRICOM. The Department hosted a business innovation exposition in April for AFRICOM to connect its staff with the business community working on the continent, inform the industry base about AFRICOM, engage with and between organizations that develop and provide future capabilities and to expose the AFRICOM staff to these industry capacities and capabilities. The Department recognizes that industry has developed the processes and learned its lessons from working in Africa for generations. Leveraging this experience is one of many ways to drive the development of this new unified command.

In June, the Department also supported an AFRICOM Academic Symposium. This symposium was designed to introduce AFRICOM and its mission and objectives to the broader academic community in the United States and to discuss the potential interface between AFRICOM and the academic community.

Finally, in July, the Department hosted the "US EUCOM 2020: Partnership Building Symposium." The symposium was designed to provide the EUCOM leadership a forum to hear and discuss perspectives for issues facing EUCOM's government, private sector and academic partners during the next 10 to 12 years. One of the mandates of the symposium was to help EUCOM shape its strategies and to build capacity in collaboration with its partners to achieve common goals. The Department's ultimate goal is to engage directly with the UCC's and provide them direct support in achieving their business transformation objectives.

Challenges

This chapter concludes with a brief discussion of the business transformation challenges the new administration will face in its first few months. They include the update to the SMP, further progress on the implementation of the CMO and DCMO positions, sustained leadership, and implementation of end-to-end business flows.

Strategic Management Plan Update

Section 904 of the FY08 NDAA requires delivery to Congress of an update to the Strategic Management Plan on July 1, 2009. Based on the recent delivery of the FY08 SMP, the update is expected to cover these elements:

- Performance goals and measures for approving and evaluating the overall efficiency and effectiveness of business operations.
- Key initiatives to be undertaken in meeting performance goals and measures.

Implementation of the CMO and DCMO Positions

Section 904 of the FY08 NDAA also requires the designation of the Deputy Secretary of Defense as the Department's Chief Management Officer. It also requires that the Secretary appoint a DCMO to assist the CMO to effectively and efficiently organize the business operations of the Department. The Department submitted a plan to Congress in July 2008 for implementing these positions. Establishing these positions, their supporting staffs and key processes will be an organizational challenge during the first few months of the next administration.

Section 904 requires the Secretaries of the Military Departments to designate their Under Secretaries to be the Chief Management Officers with primary management responsibility for business operations. The CMO has the responsibility to provide information relating to the business operations of the Service to the Department's CMO and DCMO, according to Section 904. Establishing these positions, their supporting staffs and key processes will be an organizational challenge during the first few months of the next administration.



Sustained Leadership

For strategic management decisions, the Secretary relies on three governance and management advisory groups to review options and recommend strategic and resource alternatives. The effect is to create teams composed of the Department's senior leaders, who focus on different issues related to managing defense operations, but with a consistent objective of aligning management decisions to the strategic outcomes in support of the warfighter. On May 11, 2008, the Secretary of Defense designated three primary governance bodies to advise and assist him in making key strategic management decisions related to aligning the Department's business operations with strategic goals:

- The *Defense Senior Leadership Conference (DSLCL)* meets twice a year to address issues and priorities and to provide advice and assistance to the Secretary on the strategic direction of the Department.
- The *Senior Leader Review Group (SLRG)* meets at the discretion of the Secretary to address broad, crosscutting strategic issues affecting the Department.
- The *Deputy's Advisory Working Group (DAWG)* meets weekly to provide advice and assistance on matters pertaining to DoD enterprise management, business transformation, and operations; and to provide strategic level coordination and integration of budget and assessment activities.

In addition to these three organizations, the Department is expanding the DBSMC's responsibilities to advance the development of world-class business systems to support the warfighter.

Implementation of End-to-End Business Flows

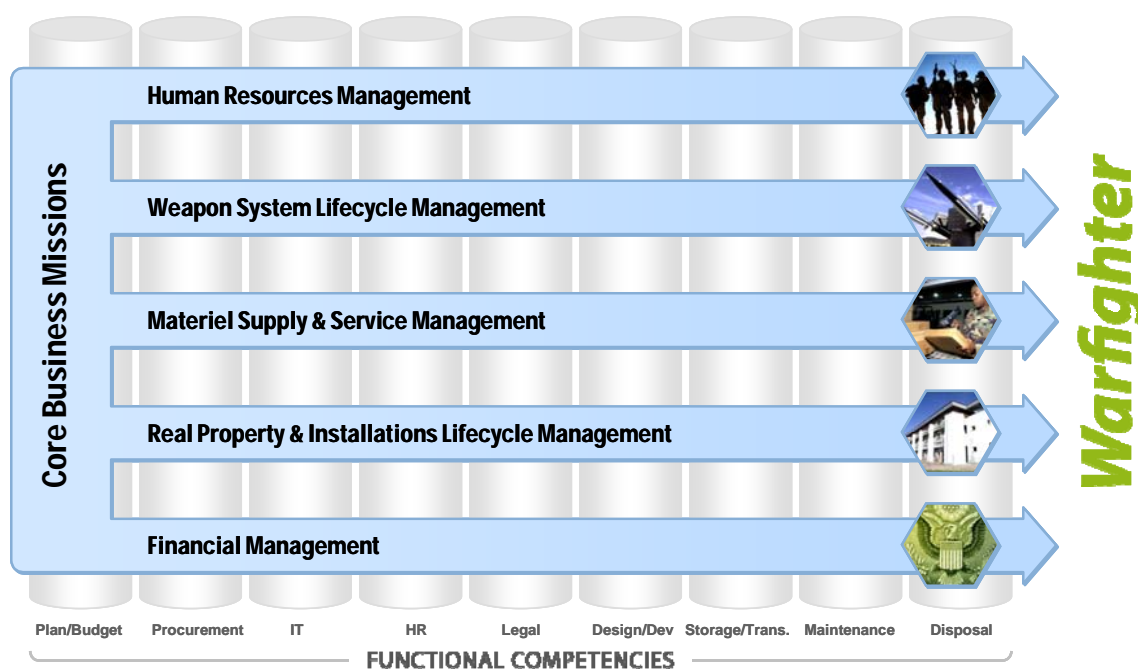


Figure 1-4: Delivering E2E Processes to the Warfighter

To continue its business transformation progress, the Department will need to focus on the optimization of end-to-end (E2E) business flows. These solutions, or sets of solutions, will have to be agile enough to traverse the functional competencies shown in Figure 1-4. In addition, to deliver capabilities to the warfighter, these solutions will be required to flow in and out of more than one Core Business Mission.

The Department has recently undertaken a comprehensive review of E2E business flows under the direction of the DBSMC, to identify potential policy, system, data and governance changes that will enhance the delivery of the target environment. Ultimate success will require the application of tiered accountability, successful implementation of the Federation Strategy and the realization of the cultural shifts envisioned by the Department's Enterprise focus areas. The Department's E2E processes must reflect transformation not only in the processes themselves, but also in the Enterprise.



Content of the September 2008 Enterprise Transition Plan

The goal for Chapter 1 was to provide members of the incoming administration a primer on the Department's business transformation. The primer included the current context and approach, recent progress and a few of the challenges the new administration will confront in its first months. The primer should also help the reader understand and appreciate the chapters to follow.

Chapter 2, Enabling the Enterprise, describes the five enablers the Department uses to drive its Enterprise change readiness: Enterprise governance, Enterprise processes, Enterprise standards, Enterprise architecture and implementing Enterprise Resource Planning systems as the Enterprise backbone.

Chapter 3, Business Enterprise Priorities, reports on the progress and plans for achieving the six priorities. Section III, Chapters 4-10, Component Transformation, reports on the progress and plans for achieving the Components' business transformation priorities and for providing capabilities to the warfighter.

Taken as a whole, the ETP not only responds to the requirements of the FY05 NDAA, but it also provides the context and perspective for understanding the Department's transformation progress and its plans for the coming fiscal year.



Chapter 2: Enabling the Enterprise

Introduction

Chapter 1 laid the conceptual foundation for the DoD Enterprise by describing its governance and architecture. When used in the ETP, the Enterprise consists of all defense business functions, the related information technology and the organizations and staff, construed from a holistic view. The Enterprise is the people, processes and technology supporting business functions throughout the entire Department who must coordinate their functions and share information. The Enterprise integrates policy, execution, analysis and decision making across DoD.

Chapter 2 focuses on what the Department must do next to enable the Enterprise. It is an ‘evolutionary’ approach that focuses on the rapid acquisition of interoperable Commercial Off-the-Shelf (COTS) business capabilities, which respond to the needs of the joint warfighter. The objective is to put capabilities into the hands of the user quickly, balancing the enterprise’s needs, priorities and resources. The success of the strategy depends on sustained leadership, ever-increasing knowledge/visibility for the governance bodies and the maturation of knowledge that leads to disciplined implementations that provide increasing capabilities over time.

One of the more important challenges DoD faces is the adoption of a unifying culture that is committed to transforming the Enterprise. Although many barriers have been overcome in the past year, many remain. Transforming DoD's business operations requires a rapid flow of information across and among multi-level systems and organizational boundaries. As DoD pushes toward the greater use of COTS solutions, it faces a more compelling need to integrate those solutions with each other and with existing systems to insure effective global support down to the last “tactical mile”.

To this end, in 2007, the Deputy Secretary of Defense established the 25 DoD Transformation Priorities to focus the Department on achieving progress on important reform initiatives. Five of these priorities are directed toward transforming Enterprise management:

- Establish a new strategic planning process
- Streamline security clearance process
- Implement the Defense Business Systems Management Committee (DBSMC) agenda
- Modernize and integrate critical financial management and internal control systems
- Pursue targeted acquisition reforms

To drive implementation of these priorities, the responsible organizations immediately developed milestone plans that included tasks and milestones through the end of FY08. This chapter will address how the Department is meeting one, or more, of these five Transformation Priorities.

To facilitate the development and adoption of a unifying culture, the Department must make itself ready for change. It uses these five enablers to drive change readiness:

- Enterprise governance
- Enterprise processes
- Enterprise standards
- Enterprise architecture
- Implementing Enterprise Resource Planning (ERP) systems as the Enterprise backbone



Enterprise Governance

Transforming Enterprise Management

As was described in Chapter 1, Section 904 of the Fiscal Year 2008 (FY08) National Defense Authorization Act (NDAA) directed the Department to develop and submit to Congress its Strategic Management Plan (SMP). The Department submitted its inaugural SMP at the end of July 2008. It is a first step toward providing Congress a comprehensive plan and it will serve as a framework for future updates. It describes how each element of the Department's current strategic management approach is used to define, execute and measure the performance of its business operations.

Implement the DBSMC Agenda

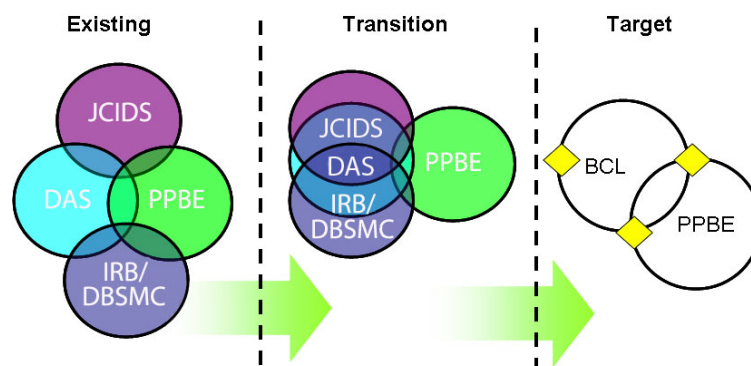
While the DBSMC was established in response to the language in the FY05 NDAA, Deputy Secretary England continually expands its role toward becoming the Department's single decision forum for business operations. He has accomplished this by ensuring that the DBSMC's agenda included the review and discussion of the cross-cutting business issues, such as:

- Enhance Enterprise-level governance over end-to-end business process and system solutions.
- Scope the Enterprise(s) DoD is attempting to optimize.
- Pursue policy changes in concert with Enterprise optimization.
- Oversee the outcomes of GAO High Risk areas.
- Initialize Enterprise-level Lean Six Sigma projects.

Streamlined Governance for Acquisition of Business Systems—BCL

The DBSMC and the Investment Review Boards (IRBs), in FY08, were established as the single governance framework for the Business Capability Lifecycle (BCL) process, the tailored approach for consolidating the requirements, acquisition and certification processes for business capabilities from initiation through execution. The Department plans to continue this evolutionary process into FY09 and beyond by institutionalizing these efforts in various DoD issuances.

BCL consolidates existing requirements, acquisition and architectural compliance processes into the business enterprise governance framework. This framework provides increased visibility to business capabilities across the Enterprise, allowing for more informed oversight and decision making from capability origination to execution. It also reduces duplicative processes, documentation and oversight. This integration of existing processes into BCL is depicted in Figure 2-1*.



*Joint Capabilities Integration Development System (JCIDS)
 Defense Acquisition System (DAS)
 Planning, Programming, Budget and Execution (PPBE)
 Investment Review Board (IRB)
 Defense Business Systems Management Committee (DBSMC)

Figure 2-1: Streamlined Governance under BCL



Enterprise Processes

End-to-End (E2E) Business Flows

As work progressed with the Components on the development of Enterprise Resources Planning (ERP) systems, it became evident that many of the existing institutional business processes had not changed materially for decades, while environmental factors had changed dramatically. These existing business processes are primarily aligned along functional domains within which managers operate within their span of control, while the business processes themselves span the domains. Fifteen end-to-end (E2E) business flows are identified for potential use in determining the gaps within the evolving ERP environment. An E2E business flow represents a set of integrated business processes that fulfill a need identified by the organization. By its nature an E2E business flows is cross-functional, cutting across organizational boundaries. The Department is continuing to evolve these E2E business flows and expects to make definitional changes as users and organizations become more familiar with them. Six of these E2E business flows have already been incorporated into the Business Enterprise Architecture (BEA), as shown in Figure 2-2.

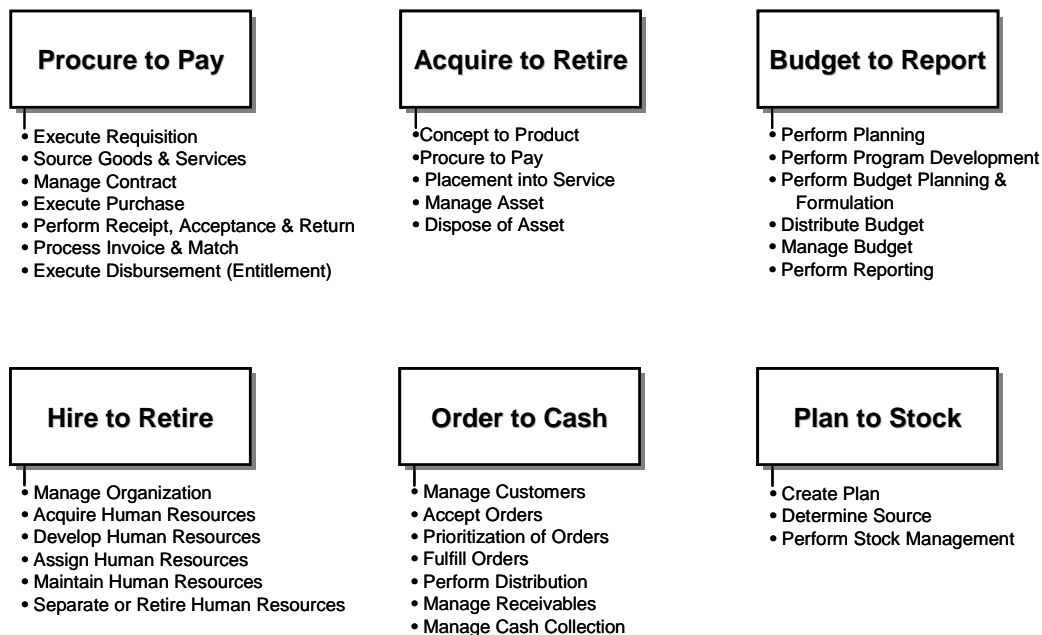


Figure 2-2: End-to-End Business Processes



Case in Point: Procure to Pay (P2P)

The E2E business flows allow linkage of systems and services facilitating the development of capabilities across the Department. P2P is one of the 15 E2E business flows the Department has identified and it is 1 of 6 already incorporated in the BEA. P2P encompasses all business functions necessary to obtain goods and services. It includes such functions as requirements identification, sourcing, contract management, purchasing, payment management and receipt/debt management. Figure 2-3 depicts the interrelationships among P2P, the Business Enterprise Architecture (BEA) and supporting systems.

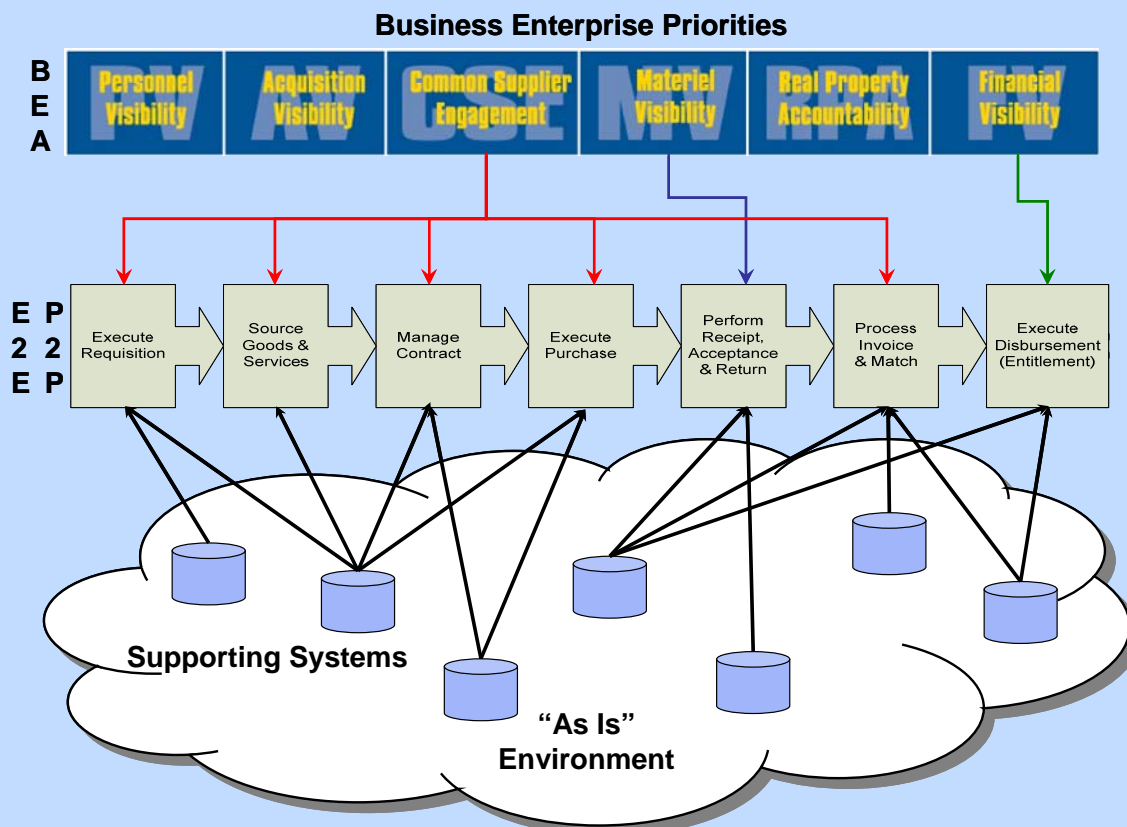


Figure 2-3: Procure to Pay Business Flow

The BEA is comprised of the six Business Enterprise Priorities. The BEA contains the required business capabilities at the Enterprise-level. Realization of these capabilities is made possible through the execution of the E2E processes. Execution of these processes makes use of supporting systems in the “As Is” environment. As the figure depicts, more than one system may support execution of a process step.

The current process flow within the Department for the P2P process is extremely complex, crossing multiple organizational and functional boundaries. Lacking many of the necessary Enterprise standards, including those for data and business rules, makes it extremely difficult to implement new systems in conjunction with this non-standard legacy environment. The Department has recently undertaken a comprehensive review of this Enterprise process under the direction of the DBSMC, to identify potential policy, system, data and governance changes that will enhance the delivery of the target environment.



Streamline the Security Clearance Process—An Enterprise Process Tactical Example

One of the Deputy Secretary's 25 Transformational Priorities is to streamline the security clearance process. The Department co-led the Joint Security and Suitability Reform Team in the development of a transformational process that employs updated standards, methods, tools and technologies to ensure effective and efficient performance across the U.S. government. This process is shown in Figure 2-4.

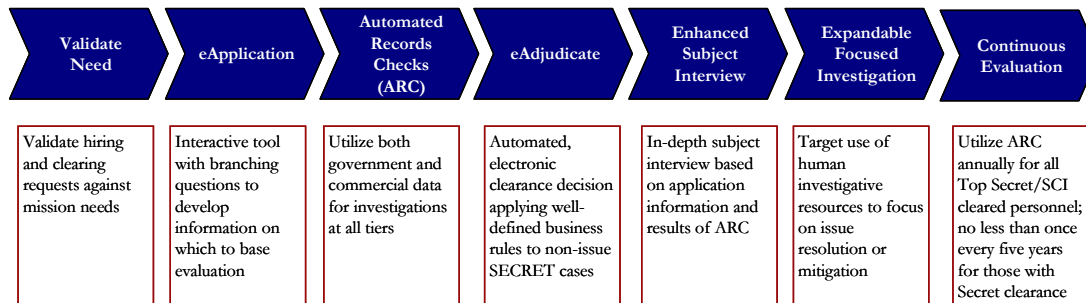


Figure 2-4: Transformed Process

Material effort in 2008 produced substantial results for the Department in each step of the transformed process. To continue progress, the Department plans to achieve the process step milestones as shown in Table 2-1.

Table 2-1: Transformed Process Steps Milestones and Dates

Transformed Process Step	Milestone	Date
Validate Need	Develop and deploy single sign-on interface for DoD and non-DoD entities to provide expanded, suitability and clearance data	September 2008
	Develop billing validation tool	December 2008
Electronic Application (eApplication)	Develop next generation eApplication to include branching questions, tiered eQIP and expanded quality controls/data validation	July 2009
	Complete implementation of eQIP across the federal government	September 2009
Automated Records Check	Develop plan for Initial Operating Capability of ARC	November 2008
	Deploy ARC for Continuous Evaluation	September 2009
eAdjudication	Deploy Secret clean case eAdjudication for select DoD populations	November 2008
	Develop plan for eAdjudication for other than Secret cases	November 2008
	Expand electronic case file delivery to all adjudication facilities	November 2009
Expanded Focus Investigation/Enhanced Subject Interview	Revise current Top Secret subject interview policy to address developed issues	September 2008
	Develop standardized training and certification for security professionals	December 2009
Continuous Evaluation	Develop plan for Initial Operating Capability for ARC	November 2008
	Deploy ARC for Continuous Evaluation	September 2009



Business Capability Lifecycle (BCL)—An Enabling Process

In an effort to speed the delivery of business capabilities to the warfighter and to pursue targeted acquisition reforms, the Department continues to implement the BCL process. It utilizes a tailored approach to the existing DoD acquisition processes, combined with a strong focus on up-front requirements development. Figure 2-5 depicts the BCL process. The yellow diamonds represent key decision points that align with the transition between the capability development phases.

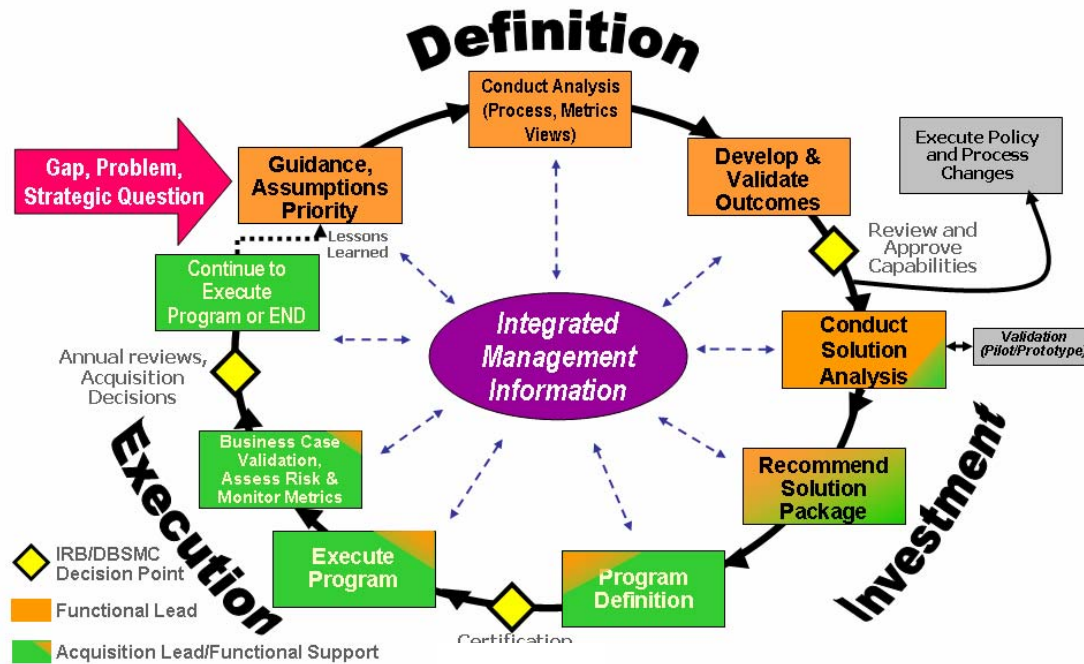


Figure 2-5: Business Capability Lifecycle

The three business capability development phases are:

Definition: Identify the problem, its root causes and the desired outcome, as well as determine the solution scope, objectives and metrics, which will be delivered to the cognizant IRB in the form of a Problem Statement.

Investment: Conduct an analysis of alternatives, recommend a solution and develop a detailed plan to justify and acquire the chosen solution. This phase also focuses on meeting statutory and regular requirements to include development of the acquisition, testing and contracting strategies, to be contained within a single Business Case.

Execution: Develop, build, test and deploy the capability. Lessons learned, Business Case revalidation and tracking the metrics developed in the initial phase ensure the problem and the selected solution are still valid.

Five major tenets guide BCL:

- Enable delivery of operational capability within 18 months.
- Focus the program manager on program execution.
- Enable timely, fact-based decision making.
- Allow acquisition decision making at the lowest level possible.
- Allow for flexibility in program implementation strategies.

Based on industry best practices, BCL utilizes independent risk assessments, following the Enterprise Risk Assessment Methodology (ERAM).



Case in Point: ERAM Impacts on ERP Implementations

ERAM assessments in FY08 identified a critical risk in several ERP programs. ERPs are programs that provide an integrated suite of IT applications to support the operation of an enterprise, including financial management, human resources management, logistics and operations. Rather than utilizing the program's built-in integration between accounting and logistics, several programs were built around the traditional DoD staff organizational structure. This led to some ERPs implementing primarily financial and accounting functionality, while others were focused primarily on logistics.

The ERAM assessments identified these integration risks, which could have caused significant reconciliation issues and manual intervention after ERP "go-live". The potential risk impacts were increased cost to the federal government and could have made the ERP more expensive and difficult to maintain.

Upon receiving the results of the ERAM assessments, the Army and OUSD(AT&L) embarked upon an analysis to identify the best course of action. The Army created a federated approach for their ERPs that allows each ERP to leverage its built-in financial integration, based upon an Army financial blueprint. The Air Force has been able to capitalize on the lessons learned from the Army to reevaluate which financial functions should be handled in each of its ERPs. Both Services are now striving to maximize the use of the inherent integration provided by their ERPs.

Business Solutions and the Expeditionary Operations Environment—Quickly Delivering Capability to the Warfighter

During the past five years, warfighters in expeditionary operations environments have had to be flexible and nimble as they executed missions running the gamut from counterinsurgency to homeland disaster relief and foreign humanitarian relief. Warfighters operating in expeditionary environments need business systems that will allow them to be flexible and nimble. These systems must provide support capabilities quickly to meet needs as they arise. The Department is working to develop solutions quickly as warfighter needs emerge. One example of progress in this area is the deployment of the Joint Contingency Contracting System.



Case in Point: Joint Contingency Contracting System (JCCS)—Concept to Solution in Eight Months

The Joint Contracting Command servicing Iraq/Afghanistan had information requirements necessary to support the Multi National Force-Iraq campaign plan. The Commander had two primary objectives with no real visibility to execute the contract function in support of the economic development mission (stability operations) in Iraq:

- Increasing the number of business opportunities available and awarded to Iraqi firms by identifying capable firms while minimizing barriers to compete for U.S. reconstruction efforts.
- Consolidating and creating visibility into Iraq/Afghanistan reconstruction contract data, to allow ground commanders the use of economic lines of operation as an axis in tactical, operational and strategic plans.

With the help of the Task Force for Business and Stability Operation in Iraq the combined team produced the Joint Contingency Contracting System (JCCS). From concept to solution, the development team used an adaptive process that delivered capability in less than eight months. JCCS displays contract opportunities in both English (full contract) and Arabic (summarized version). JCCS also stores critical information about all registered and approved host nation vendors who may bid on opportunities.

In addition to providing a standardized and streamlined process for capturing the contract requirements, solicitation and award data, the information generated by the tool has been invaluable to the effective management of the Department's mission, aligning the spend to support specific Stability Operations Requirements. JCCS provides the contracting community real-time information on what the command is spending, with whom it is spending, where the funds are being spent and for what they are being spent. To implement JCCS, the Department provided embedded technical and training resources in theater, as well as subject matter expertise that helped to weave the use of the strategic tool into operational and tactical operations.

Business Solutions and the Expeditionary Operations Environment—Delivering useable Technology to the Warfighter

Today, warfighters are asked to support a variety of missions in areas lacking adequate infrastructure for business systems to operate optimally, if at all. In austere environments, the warfighter leaves existing technology behind and resorts to purely manual processes until there is sufficient infrastructure in place to support the business systems. In the early phase of operations in an expeditionary operations environment the infrastructure focus is devoted to mission and intelligence operations. Business systems are relegated to a low priority for bandwidth and other infrastructure apportionment until there is a sense of stability and security. As the operation matures, the infrastructure becomes more robust and business systems are more apt to operate and support the warfighter. Absent ubiquitous bandwidth, low latency and continuous connectivity, business systems development needs to include the realities of the warfighter environment.

From the Enterprise perspective, business systems are generally designed to satisfy requirements derived from peacetime at camps, posts and stations. Enterprise business systems serve a specific purpose, which is to capture information needed to manage the preponderance of DoD resources, money, personnel and materiel.

From a warfighter perspective, the fact that business systems are designed to meet the needs of the larger enterprise is not the issue. The problem arises when tradeoffs are made in order to meet the needs of the larger Enterprise while the requirement to extend the system into the expeditionary environment is delayed until later phases of the acquisition lifecycle. Moreover, when minimal consideration is given to the expeditionary environment upfront, these tradeoffs can result in unintended consequences that ultimately hinder business systems from working, as designed, in the deployed environment. As a result, to conduct business operations the deployed warfighter is forced to rely on purely manual processes or develop process enabling tools that satisfy immediate needs.



Enterprise Standards

Establishing Enterprise standards is extremely important to enabling readiness for change. The incorporation of Enterprise standards in the BEA guides emerging systems to deploy capabilities uniformly and facilitates the migration to a net-centric environment. Implementation of net-centric data sharing capabilities reduces wait time for interfaces and the cost of implementation. Additional Enterprise standards increase interoperability between DoD business systems and eliminate the need to maintain and build numerous interfaces. The Department is in the process of implementing numerous, large-scale ERP systems. Consequently, it is imperative that the implementation of Enterprise standards occurs now to accommodate the near-term deployment of these transformational business systems.

Establishing standard processes, data, integration and implementation requirements between the Enterprise- and Component-level business systems reduces the need for customization. Efforts are scoped and prioritized based on the outcome of the Enterprise rationalization output from FY07 and an immediate need for the standard data as the major criteria. Chapter 15 of the September 2007 ETP provides a definition of rationalization. The Enterprise standardization objectives include determining roadmaps to rebalance Component and Enterprise capability delivery, creating a common vocabulary, determining how to integrate standard processes with the BEA and beginning to implement the rebalanced capability delivery, as shown in Figure 2-6. The standard data sets and associated business rules are then implemented and included in the BEA and compliance is enforced via the IRB.

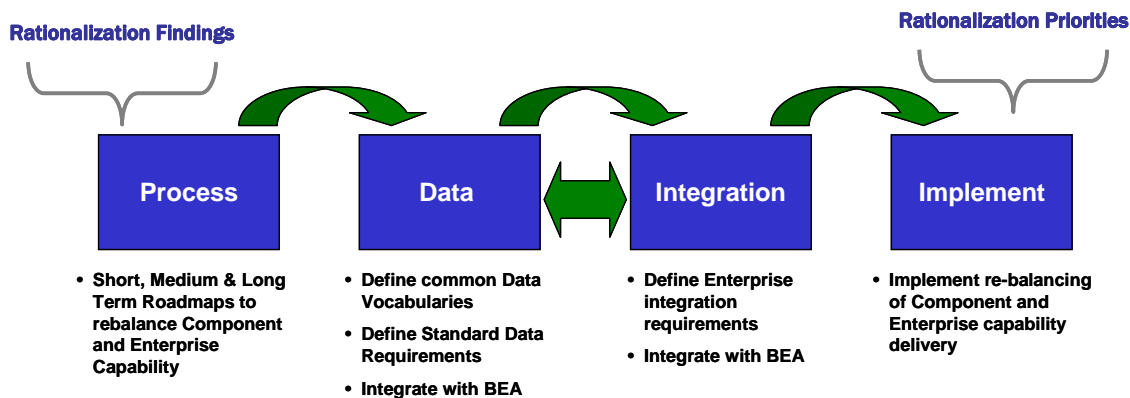


Figure 2-6: Enterprise Standards Approach

Each effort chosen for implementation or review in FY08 was grouped into one of three categories based on level of effort, stakeholder involvement and progress towards baseline for implementation. The categories are as follows:

1. Interface efforts already underway for Enterprise systems. This include requirements development with the intent to influence current progress by identifying best practices, ERP inherent capability and compliance with existing BEA processes and business rules to the maximum extent possible.
2. Existing transactions for which some level of standardization already exists. These efforts focus on documenting the existing standards in a format that is clear, concise and consistent, which facilitates ease of implementation for the Components. Some documentation may require minor adjustment based on lessons learned through implementation.
3. Standardization efforts for which subject matter expertise across functional areas is needed to define the standards. This requires the most effort and attention of all the Enterprise standards efforts, as there was no previously existing standard and no collaborative effort underway to address the business problem. The focus area led the effort to define processes, data, integration and implementation requirements by establishing DoD cross-functional working groups.



As some efforts underway require extensive work and timelines extend beyond the FY08 timeframe, work will continue into FY09 to complete, document and publish those standards. In addition, new efforts can be undertaken which have been identified throughout the year. As the standards mature, the outcome will be incorporated into the next BEA release.

Case in Point: Standard Financial Information Structure (SFIS) Enterprise Resource Planning (ERP) Configurations

The Department has succeeded in getting the Military Departments' reporting entities to be compliant with the Standard Financial Information Structure (SFIS). From a management perspective, this activity took place under the umbrella of BEIS, but from a system perspective, the Department implemented SFIS compliancy in the Defense Departmental Reporting System (DDRS). This is an example of enabling change readiness through the adoption and application of Enterprise standards.

SFIS is the Department's common business language that supports information/data requirements for budgeting, financial accounting, cost/performance management and external reporting across the Enterprise. BEIS is an Enterprise-level information environment used to collect financial transactions from across the Department. DDRS is the reporting system that produces the Department's standardized financial statements.

A BEIS/SFIS Task Force produced these accomplishments this summer. Under Phase 1, it established SFIS compliancy for the Navy General Funds, Army General Funds and the Air Force's Defense Working Capital Fund. Each of these compliancy implementations represented a major achievement in support of the Department's Financial Visibility goals.

The team completed the requirements, design, development, testing and training phases in six months. Success in the requirement phase required coordination and validation meetings with all stakeholders. The goal was to ensure that SFIS addressed each data element on the financial statements and budgetary reports required by the Treasury and the DoD Comptroller.

The Departments of the Navy and Army General Funds represent the largest and most complex reporting entity implementations in the BEIS Financial Reporting Module. Completion of these implementations increased the percentage of SFIS compliant trial balances from 15 to 99%. SFIS reporting eliminates the need for translation and cross walking of account values in DDRS. It also improves the comparability of data across target general ledger accounting systems. For example, SFIS enables valid comparisons between the Army's and Navy's account balances.



Enterprise Architecture

Architecture provides the systematic framework for satisfying business operations transformational requirements. The Enterprise Architecture is actually a federation of architectures, each designed and operated by statutory authorities.

The Business Enterprise Architecture (BEA)

The BEA is the Enterprise architecture for the Department of Defense Business Mission Area (BMA), defines the business Enterprise priorities, the business capabilities required to support those priorities and the combinations of Enterprise systems and initiatives that enable those capabilities. The BEA consists of a set of integrated DoD Architecture Framework products that includes activities, processes, data, information exchanges, business rules, system functions, system data exchanges, terms and linkages to laws, regulations and policies that facilitate interoperability and integration of solutions to ensure effective global support of the joint warfighter. The transformation effort guiding BEA development focuses on providing tangible outcomes for a limited set of priorities and on developing an architecture that is integrated, understandable and actionable.

The scope of the BEA, defined by six Business Enterprise Priorities, permits the BEA to evolve in a controlled and consistent fashion. As the cornerstone architecture of the DoD BMA, the BEA establishes the foundation for Enterprise business transformation across the Department.

Enhancements in BEA content under development for delivery with Version 6.0 in March 2009 include:

- Earned Value Management requirements in support of Acquisition Visibility services-oriented architecture/data transparency
- Standard Financial Information Structure updates and Federal Financial Management Improvement Act business guidance for Financial Visibility
- Core Human Resource Information Standards and architecture federation planning for Personnel Visibility
- Environmental liabilities, geospatial standards and real property networks for Real Property Accountability
- Procurement data standards and standards supporting contract data, payment requests, business partner networks and reps and certs for Common Supplier Engagement
- Item Unique Identification master data for Material Visibility
- Information Assurance requirements for all Enterprise-level business data
- System View improvements, including introduction of functional “Families of Systems” to better group and identify interface requirements from Component-level feeder systems to Enterprise-level systems.

Implementing the Federation Strategy

A federated information technology (IT) environment is one in which resources and applications are united, while maintaining their individual autonomy and governance. In 2006, the Department released a strategy for federating Enterprise, Component and program architectures and business systems. The Federation Strategy and Roadmap document embodies a set of guidelines for Enterprise capabilities for registering, discovering and utilizing system and architecture data to support key DoD decision processes and incorporating concepts from the DoD net-centric data strategies to facilitate end-to-end business systems operation. Appendix C, Enabling the Enterprise through Federation, provides a wealth of detail on the Federation Strategy.

A federated information technology (IT) environment is one in which resources and applications are united, while maintaining their individual autonomy and governance.

A key aspect of the federation strategy is the establishment and utilization of service-oriented architecture (SOA) at the Enterprise level. An Enterprise SOA approach leverages the BEA description of business capabilities and the Defense Information Systems Agency's enterprise infrastructure services to produce an effective operating environment for the BMA, referred to as the Business Operating Environment (BOE). Figure 2-7 depicts the process by which BMA Enterprise programs define services supported by the BOE within a SOA. The BOE provides the technical foundation for interoperability that the Department requires for



becoming more agile and adaptable, while ensuring that the information assurance controls are in place to protect and defend the information and information systems. A key driver for this requirement is the recognition that a SOA is not just about services, but is a mechanism to effectively orchestrate and consume business services in an organized fashion.

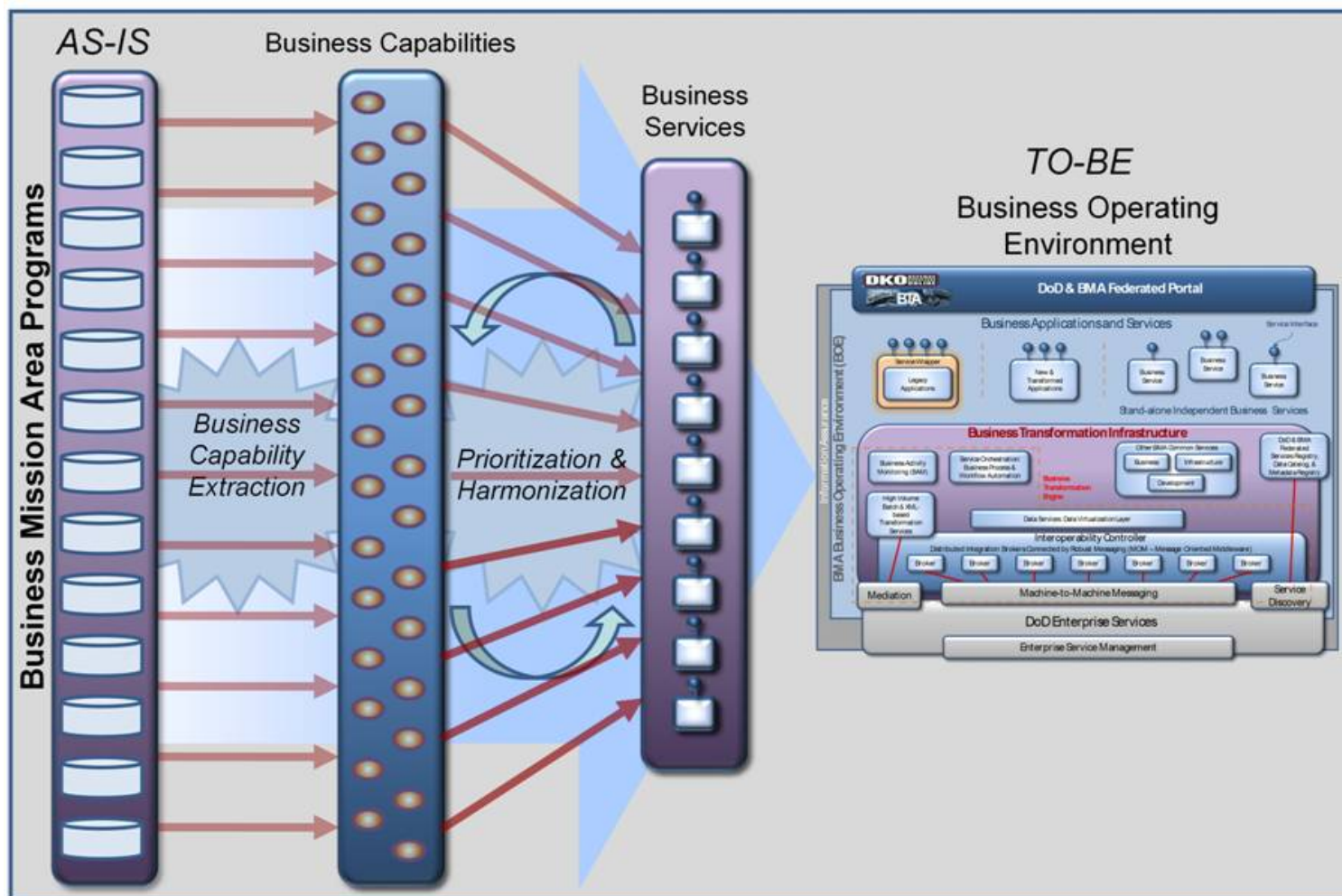


Figure 2-7: Transforming Capabilities into Services

Implementing ERPs as the Enterprise Backbone

Enterprise Resource Planning (ERP) is a generic name of a software-based business management system used to power crucial business operation functions and processes. An ERP system allows users to standardize and streamline business activities into a single system, while achieving security, reliability and accessibility. ERPs maintain the referential integrity of all of the transactions within this single system.

ERPs focus on the E2E business process that is executed in a single, integrated system. SOA focuses on building individual functions as services. Anyone who needs that service can subscribe to it through his or her business process management tool. The Department recognizes that transforming the Enterprise will require the best use of both solutions to satisfy requirements and to deliver capabilities. The Department is developing an overall governance of E2E business processes and systems from an Enterprise perspective under the direction of the DBSMC.

The Department is making a significant commitment to the adoption and implementation of COTS ERP solutions. These are systems that provide an integrated suite of IT applications to support the operation of an Enterprise, including financial management, human resources management, logistics and operations. As



reflected by the 2009 President's Budget, approximately two-thirds of the Department's spending on business programs is invested in 11 ERP programs.

The Components have programmatic responsibility for 9 of the 11 ERP systems, while the Business Transformation Agency (BTA) is responsible for the other 2. Given the Department's extensive investment in ERPs, a group that provides assistance with implementation of these systems is essential. BTA has established that group within its Enterprise Integration Directorate. The group's overall goal is to move the Department towards a holistic, or end-to-end business process approach to successful implementations that addresses process, technology and change management.

The Defense Integrated Military Human Resource System (DIMHRS) and the Defense Agency Initiative (DAI) are Enterprise-wide ERP systems. Their recent progress and plans for FY09 highlight the Department's ERP implementation efforts. Additional information on specific ERP implementations can be found in Chapters 3-10.

Defense Integrated Military Human Resource System (DIMHRS)

DIMHRS is the vehicle through which Department is revolutionizing military personnel and pay. It will be a fully integrated personnel and pay system for the Department that will support military personnel throughout their careers in peacetime and war.

A single system serving as the database of record provides a consistent one-stop source for calculation and review of military service members' pay and eliminates current processing deficiencies. DIMHRS testing currently confirms that it can effectively support any required level of mobilization and resolves the recurring error conditions. Further, because rates of mobilization and demobilization are highest during periods of national emergency or war, the urgency has never been greater to deliver accurate personnel and pay data. The level of ongoing mobilizations clearly demonstrates the need for DIMHRS functionality to ensure military service members are correctly compensated in a timely manner and are properly aligned with position credentials to qualify for advancement.

The approach of the DIMHRS program has been to create a framework in which current processes can be evaluated and reengineered to leverage personnel and pay best practices, while continuing to support military personnel and pay requirements. DIMHRS will be implemented incrementally across the Department. Initially, DIMHRS will deploy core functionality to support common military personnel and pay processes. DIMHRS will "go-live" for the Army in the second quarter of FY09.

More information on DIMHRS can be found on pages 41-44.

Defense Agencies Initiative (DAI)

DAI is a critical DoD effort to modernize the Defense Agencies' financial management capabilities that also enables greater standardization and transparency with other business areas. It provides the Department the opportunity to design a solution for 28 Agencies and Field Activities that addresses the vast majority of needs in a common way to obtain timely, accurate and reliable information through sound internal controls.

DAI is intended to transform the budget, finance and accounting operations of the Defense Agencies and to achieve accurate and reliable financial information in support of financial accountability and effective and efficient decision-making. DAI is a compliant business solution with common business processes and data standards for the following budget execution business functions: procure to pay, order to fulfill, acquire to retire, budget to report, cost accounting, grants accounting, time and attendance and re-sales accounting. DAI will complete its first Agency Go Live one-year from its original contract award when BTA begins production usage of the solution on October 1, 2008.

Benefits:

- Addresses financial management material weaknesses and deficiencies.
- Streamlines interagency accounting through the common use of U.S. Standard General Ledger (USSGL) Chart of Accounts, SFIS, standardized business processes and data standards.
- Real-time access to accurate financial data supports financial analysis and timely decision making.



- Reduces need for data reconciliation.

The procure to pay process encompasses the initial request for goods or services through the payment for those goods and services. There are several purchasing business scenarios that DAI will support including:

- Contract Procurement: Involves the procurement of goods and services through the award of a contract or Purchase Order.
- Purchasing Cards: Used by the Defense Agencies to support departmental and small dollar purchases.
- Intergovernmental Procurement: Involves the purchase of goods and services through other agencies.
- Travel: DAI will support the financial accounting events associated with travel including temporary duty and permanent change of station.

More information on DAI can be found on pages 162-164.



Section II: Enterprise Transformation



Chapter 3: Business Enterprise Priorities

At the Department of Defense (DoD) Enterprise level, the Department has identified and focused its transformation efforts on six strategic business enterprise priority areas. Each priority is making critical business information more visible and accessible. They are:

- Personnel Visibility
- Acquisition Visibility
- Common Supplier Engagement
- Materiel Visibility
- Real Property Accountability
- Financial Visibility

These priorities represent those areas for which increased focus is bringing the most dramatic, immediate and positive impacts on Defense business operations. The plan for each priority details an overall strategy for achieving its objectives, describes key programs and the business capabilities delivered. Achieving the objectives of these priorities will provide enduring improvements to the Department's business infrastructure, benefiting the warfighter by integrating enterprise business processes, reducing system redundancies and continuously improving financial transparency.

To achieve the objectives of these six priorities, the Department's leadership has directed programs and other investments at the Enterprise level to deliver improvements to the required business capabilities. These programs implement systems and initiatives that align to the six priorities as shown in Figure 3-1. For all solutions, deployment involves implementing process and policy changes, appropriate training, necessary facility improvements and realigning organizations and roles to the target solution to increase business value.

Personnel Visibility	Acquisition Visibility	Common Supplier Engagement	Materiel Visibility	Real Property Accountability	Financial Visibility
DCPDS DIMHRS DTS	DAMIR MEVA (CAMS-ME)	CCR DoD EMALL EDA eSRS FBO FedReg FPDS-NG JCCS PPIRS SPOT SPS WAWF	IUID MILS to EDI or XML RFID	EL HMIRS HMPC&IMR KBCRS RPAD RPAR RPCIPR RPIR RPUIR	BEIS DAI EFD IGT/IVAN SFIS
<div> <div>■ Target System</div> <div>■ Initiative</div> <div>■ Fully Implemented Target</div> </div>					

Figure 3-1: Target Systems and Initiatives to Achieve DoD Business Enterprise Priorities



Note: One transformational initiative listed in Figure 3-1, Military Equipment Valuation and Accountability (MEVA), includes a system that has a different name than the initiative. The system name, Capital Asset Management System-Military Equipment (CAMS-ME), is shown in the figure in parentheses.

Figure 3-2 shows by business enterprise priority the overall dollar amounts the Department plans to spend on the transformational programs listed in Figure 3-1 in FY08 and FY09.

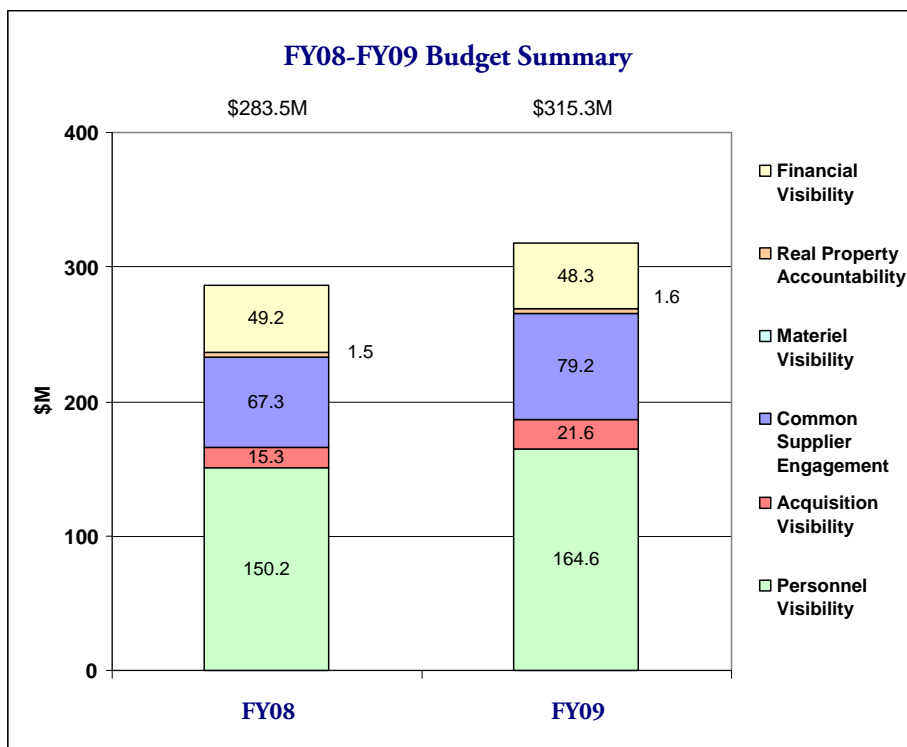


Figure 3-2: DoD Enterprise Budget Summary

Table 3-1 is a budget summary based on the 2009 President's Budget (PB09). It includes budgets for all systems and initiatives shown in Figure 3-1 by business enterprise priority. The table also provides the budget totals for FY07, FY08 and FY09

Table 3-1: DoD Enterprise Budget Summary (\$M)

	BEP	FY07	FY08	FY09	Total
Enterprise	Personnel Visibility	187.4	150.2	164.6	502.2
	Acquisition Visibility	13.0	15.3	21.6	49.9
	Common Supplier Engagement	94.4	67.3	79.2	240.9
	Materiel Visibility	0.0	0.0	0.0	0.0
	Real Property Accountability	2.3	1.5	1.6	5.4
	Financial Visibility	34.8	49.2	48.3	132.3
	Enterprise Total	331.9	283.5	315.3	930.7



This chapter presents the Department's transformation efforts for the six business enterprise priorities and its plans for continuing to achieve the objectives of these priorities during FY09. Table 3-2 provides a list of the business enterprise priority narrative section headings and a description of the information presented.

Table 3-2: Business Enterprise Priority Sections and Descriptions

Business Enterprise Priority Sections	Description
Definition and Goal	Provides the definition and goal for the business enterprise priority.
Objectives	Objectives are listed in a text box located in the margin of the first page of the narrative.
Strategy	Provides the strategy for achieving the priority. The strategy defines not only the programs that are critical to achieving the priority, but also the transformational activities that are critical to success.
Business Capabilities and Program Mapping	The Business Enterprise Architecture (BEA) is the source of the business capabilities for each business enterprise priority and for the mapping of the capabilities to the target programs.
Business Capabilities Metrics	These are performance measures of how well the business enterprise priority is providing the required business capability. These metrics provide insight into the progress the Department is making in achieving the priority. They provide a basis for process improvement and for future efforts.
Transformational Activities	Transformational activities are not programs, but are activities undertaken to support achieving a business enterprise priority. They could be activities that cross the doctrine, organization, training, materiel, leadership and education, personnel and facilities (DOTMLPF) spectrum, such as, policy changes, governance /leadership, or organization. The information provided describes the goal and scope of the activity and how it supports the priority.
Transformational Programs	<p>Transformational programs include both systems and initiatives. They provide the solutions required to achieve a specific transformational business capability, or set of capabilities. These programs also help to achieve each priority's objectives.</p> <p>This section provides basic information about a target program at a glance, including: program name, description, approach and benefits, a timeline diagram that includes the program's milestones and information on legacy system migrations, Budget Summary and Details, if any; Accomplishments/Capabilities Delivered; Near-Term Plans and System Metrics, if any.</p> <p>The milestone timeframe of April 2008 to October 2009 ranges from 6 months before the September 2008 ETP to 12 months following its publication. If a program does not have milestones in this timeframe, then there would be no timeline diagram.</p>
Fully Implemented Programs (if any)	Programs that have achieved Full Operational Capability (FOC), as defined in Joint Chiefs of Staff Publication 1-02 as the, "full capability to employ effectively a weapon, item of equipment or system of approved specific characteristics and which is manned and operated by an adequately trained, equipped and supported military force or unit." These programs have achieved their transformational



Business Enterprise Priority Sections	Description
	objectives.
Cross-BEP and Component Integration	Provides information on how accomplishment of this priority helps to achieve other business enterprise priorities. Describes the priority's dependencies, if any, on the success of any Component's programs, initiatives and activities.
Business Enterprise Priority Table	Provide basic information about the business enterprise priority at a glance. These tables provide the priority's name, the definition and goal, systems and initiatives, Changes since the March 2008 Congressional Report, the FY07-FY09 Budget Summary and the Budget Summary Details.
Milestone Summary	Provides the milestones for all of the target programs for the timeframe of April 2008 to October 2009. This timeframe ranges from 6 months before the September 2008 ETP to 12 months following its publication.
Case in Point	Provides a very specific story describing how an accomplishment delivered a clear benefit to the Enterprise, the warfighter, or to the American people.



Personnel Visibility Definition and Goal

Personnel Visibility (PV) is the fusion of accurate human resources (HR) information and secure, interoperable technology within the Human Resources Management (HRM) Core Business Mission (CBM). PV is defined as having reliable information that provides visibility of military service members, civilian employees, military retirees, contractors (in theater) and other U.S. personnel, across the full spectrum—during peacetime and war, through mobilization and demobilization, for deployment and redeployment, while assigned in a theater of operation or at home base and into retirement. This includes ensuring timely and accurate access to compensation and benefits for DoD personnel and their families and ensuring that Combatant Commanders have access to the timely and accurate data on personnel and their skill sets.

The goal of PV is to provide accurate, timely and readily available personnel information (including data on military, civilians, contractors and coalition resources supporting the operation) to ensure accurate and timely compensation and benefits.

Strategy for Personnel Visibility

The strategies for achieving the objectives of PV are to:

Integrate the separate personnel and pay records for the Department's workforce.

Consolidate Defense Civilian Personnel Data System (DCPDS) operations into a single DoD Enterprise facility, which takes advantage of economies of scale and a single point of control for DCPDS operations, ensuring accuracy and higher availability of data for DoD leadership.

Establish a single military record and a single civilian record to improve the accuracy and timeliness of data by eliminating discrepancies and the requirement for constant reconciliation between personnel and pay systems.

Provide an enterprise solution to facilitate integration of military personnel and pay records via the implementation of the Defense Integrated Military Human Resources System (DIMHRS).

Promote cultural change for the Military Services' personnel and pay operations through training and change management techniques, including cross-service working groups.

Leverage information systems to create a seamless integration of the total force, provide a continuum of service to the workforce and increase the visibility and accuracy of personnel information for decision makers.

Transform the infrastructure of the Military Health System to match capacity/infrastructure to patient requirements and operate jointly in a multi-Service environment.

Serve as the single focal point for commercial travel, establish strategic direction, set policy and centrally manage commercial travel programs.

Business Capabilities and Program Mapping

Business Capabilities define the future capabilities necessary to support the warfighter and direct the Department's business systems modernization efforts toward acquiring those capabilities. Development of these capabilities leads to the implementation of Enterprise-wide systems that provide greater visibility to decision makers at the highest levels in DoD. The following table displays the Business Capabilities that each of the PV programs will deliver based on their mappings to the BEA 5.0.

PV

OBJECTIVES

- Provide access to more reliable and accurate personnel information for warfighter mission planning
- Enable a cross-Service support capability by providing a single personnel function that will ensure accurate and timely access to data on personnel and their skill sets for Combatant Commanders
- Decrease operational cost and cycle times, enabled by increased consistency of data, reduced rework and data calls
- Improve accuracy, completeness, and timeliness of personnel strength reports
- Reduce or eliminate duplicative data capture and system access activities
- Ensure accurate and timely access to and delivery of compensation, quality of life and other benefits for DoD personnel and their families
- Improve occupational safety through analysis of environmental and safety information and related personnel exposures
- Improve military healthcare delivery through implementation of an electronic record

Programs and activities Enabling PV:

- DIMHRS
- DTS
- DCPDS
- Civilian HR/Payroll Integration



Business Capabilities	DIMHRS	DCPDS	DTS
Administer Position Management	•	•	
Manage Assignment, Placement and Transfer	•	•	
Manage Benefits	•	•	
Manage Personnel and Pay	•	•	
Manage Military Health Services			
Manage Candidate Accession	•	•	
Manage Quality of Life and Morale, Welfare and Recreation	•		
Manage Retirement and Separation	•	•	
Manage Travel			•

Business Capability Metrics

Business Capability metrics track the advancement of modernization efforts. These metrics depict graphical representation of progression toward achieving the PV Business Capabilities above.

Metric: Manage Personnel and Pay and Manage Assignment, Placement and Transfer

The deployment of DIMHRS highly enhances the Department's ability to improve the Manage Personnel and Pay and Manage Assignment, Placement and Transfer Business Capabilities. Figure 3-3 tracks the growth of mobilization and demobilization activities under the authority of 10 USC Section 12302. These activities necessitate the continuous movement of military service members' personnel and pay records back and forth among legacy systems, which directly impacts effectiveness of the Manage Personnel and Pay and Manage Assignment, Placement and Transfer Business Capabilities. Due to this back and forth activity, recent pay record audits show a trend of system disconnects and missing data. This frequently results in improper payments, inaccurate credit for service time and missing documentation of accomplishments, competencies and assignment history. Regrettably, such failures place a financial burden on the warfighter when unauthorized payments made to service members must be retrieved. Further, the Components and Commanders alike are impacted by the inconsistent and incorrect data. These recurring data inaccuracies fluctuate as demand for contingency support and national emergencies require service members readiness to deploy.



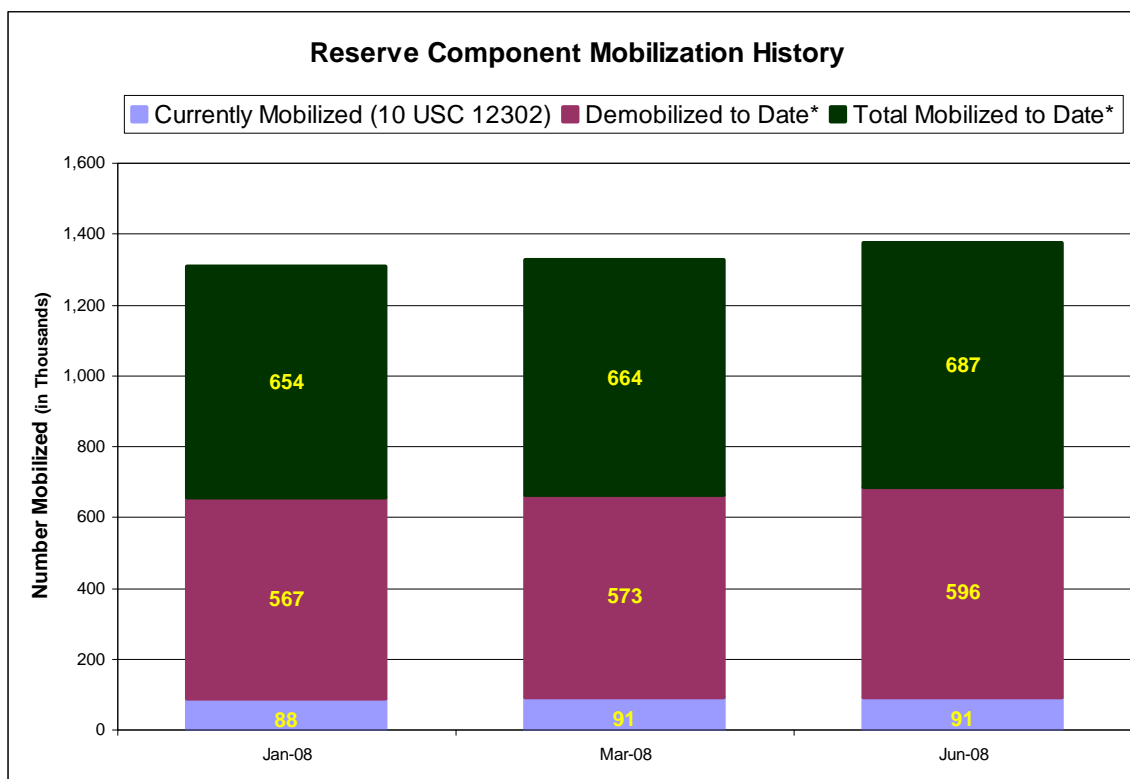


Figure 3-3: Reserve Component Mobilization History

Transitioning to the DIMHRS integrated personnel and pay solution will provide significant improvement to the Department's ability to correctly manage personnel (position management, competencies, etc.) and pay (calculation, disbursing) records. A single system serving as the database of record provides a consistent one-stop source for calculation, review and disbursement of military service members payment and eliminates the current processing deficiencies. DIMHRS testing currently confirms that it can effectively support any required level of mobilization and resolve the recurring error conditions. Further, because rates of mobilization and demobilization are highest during periods of national emergency or war, the urgency has never been greater to deliver accurate personnel and pay data. The degree of ongoing mobilizations, as indicated above, clearly demonstrate the need for DIMHRS functionality to ensure military service members are correctly compensated in a timely manner and properly align position credentials to qualify for advancement.

Metric: Manage Personnel and Pay

Debt management is essential in ensuring that DoD personnel have fulfilled all financial obligations prior to separation or retirement in support of Manage Personnel and Pay Business Capability. When military service members separate or retire while indebted to the Department, there is an impact on both the individual and the Department. The responsibility for debt management resides with both the military service members as well as the Department. The metric, DoD Personnel who Retire or Separate Without a Debt, measures the percentage of personnel who leave DoD each quarter without any indebtedness. As shown in Figure 3-4, this metric provides a measure of effectiveness in managing debts.



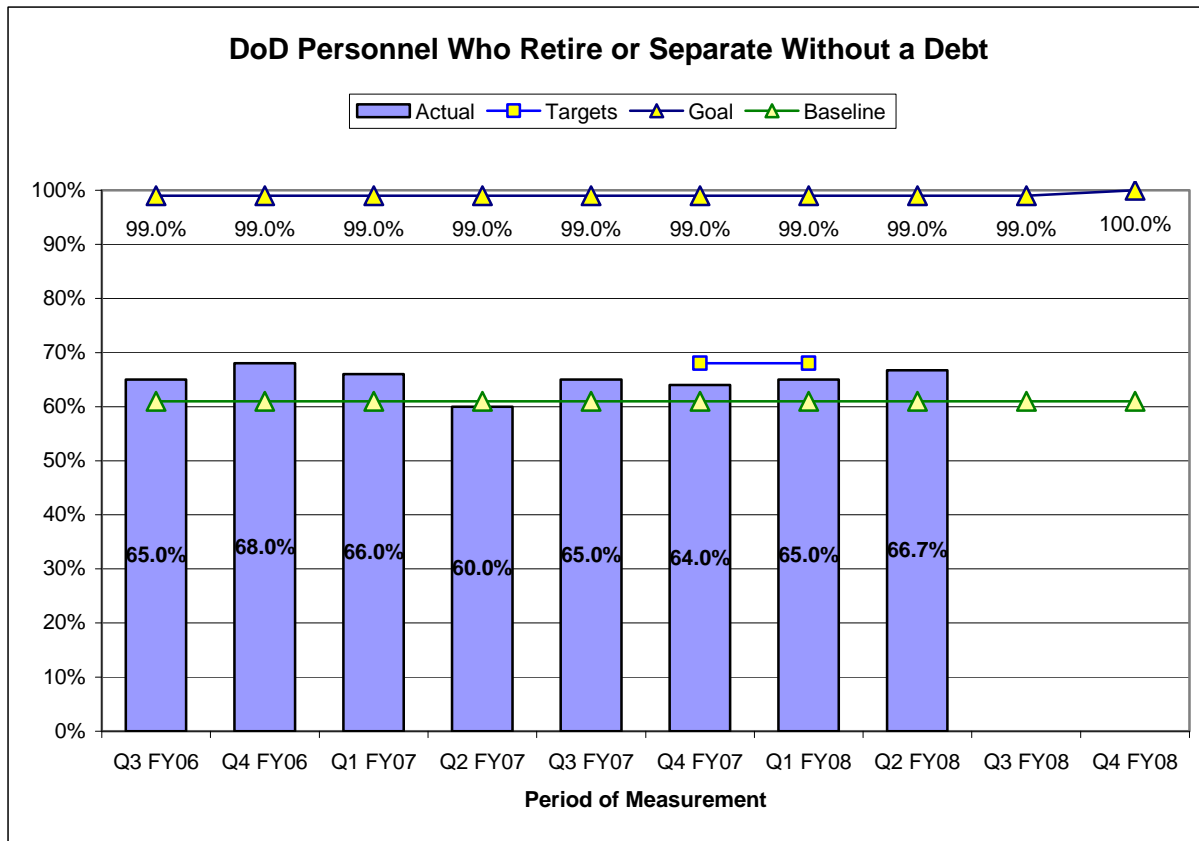


Figure 3-4: DoD Personnel Who Retire or Separate Without a Debt

Maximizing the number of DoD personnel who separate or retire without being indebted to the Department results in a reduced financial impact on retiring/departing military members and increased funds accountability and accuracy for the Department.

Metric: Manage Travel

Providing travelers with the opportunity to offer opinions and suggestions is critical to ensuring programs, such as the Defense Travel System, are meeting the needs of the travel community and supporting the Manage Travel Business Capability. For the first time, the Department has established a Customer Satisfaction Program to capture feedback on the various programs and services integral to the Defense Travel Enterprise. In 2007, travelers were polled using the Defense Manpower Data Center's QuickCompass Survey to gauge end-user satisfaction with DTS.

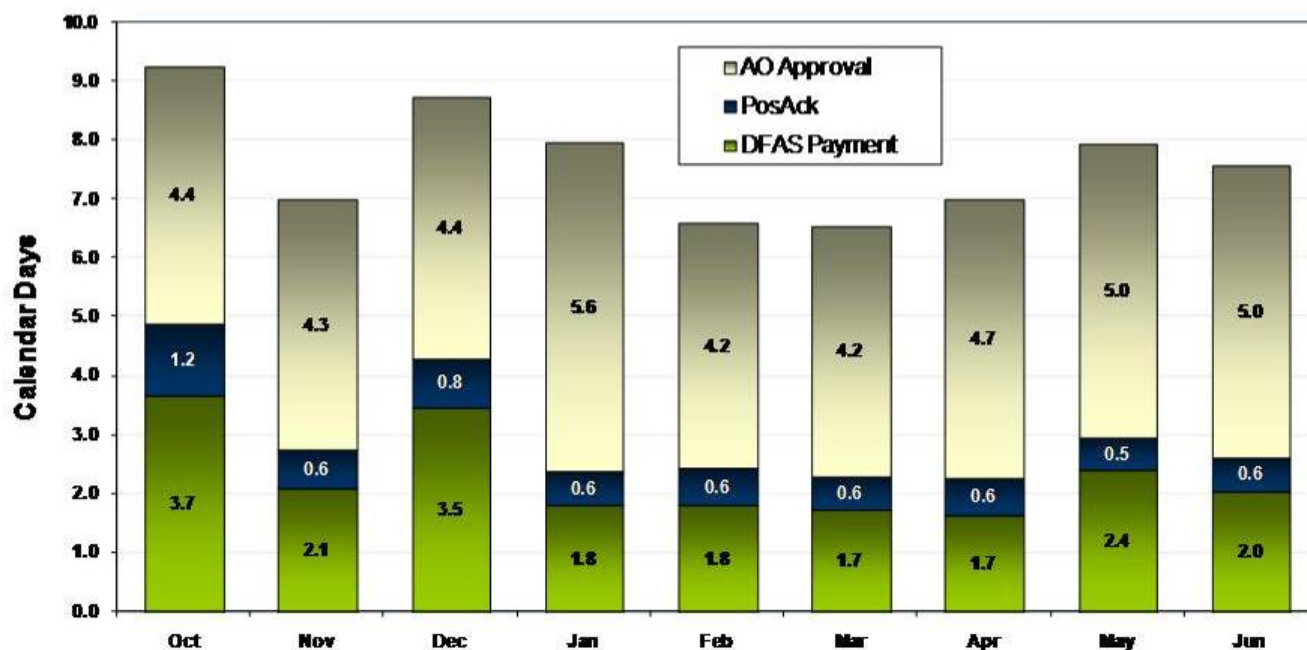
The Travel and Transportation Reform Act of 1998 (Public Law 105-264) and the DoD Financial Management Regulation require that travelers are reimbursed for their travel expenses within 30 days of submission of a proper and complete travel claim. In one area of the QuickCompass Survey, travelers were asked about their level of satisfaction with the timeliness of their reimbursement. Seventy-two percent of respondents stated they are satisfied with the reimbursement time using DTS.

Figure 3-5, DTS Voucher Payment Time (VPT), tracks the time it takes a traveler to be reimbursed from the time a traveler signs a travel claim. The fiscal year-to-date current year to date average for VPT is 7.6 days, much quicker than the statutory requirement for reimbursement.



Voucher Payment Time

FYTD Average = 7.6 days



FY07 Average was 7.3 days

Figure 3-5: DTS Voucher Payment Time

Timely reimbursement, coupled with the DTS capability to provide split disbursement to the traveler and the traveler's Government Travel Charge Card (GTCC), enables the Department to maintain compliance with Office of Management and Budget (OMB) mandates for GTCC delinquency rates. While monitoring Voucher Payment Time ensures compliance, it is also a proxy measure of traveler satisfaction. Confident that he or she will receive a reliable and timely reimbursement, the warfighter remains mission-focused. The Department will continue to monitor customer satisfaction with DTS and all areas within the Defense Travel Enterprise, supporting the Manage Travel Business Capability.

Transformational Activities

Defense Travel Enterprise: There are other transformational activities occurring in the arena of Defense travel that support personnel across DoD, including the enhancements being made to DTS. The Defense Travel Management Office (DTMO), established in February 2006, serves as the single focal point for commercial travel within the Department. A governance structure was adopted to ensure a continual dialogue among key stakeholders to set strategic direction and to manage the Defense Travel Enterprise. The Department is making steady improvements with regard to metrics, data and costs—with a two-year project underway to develop an authoritative source for travel data.

The DTMO conducted a usability review to assess the effectiveness, efficiency and satisfaction with which users can accomplish travel tasks when using DTS. Recent results of this survey are being used to improve the DTS user interface in 2009. The travel community now has access to a meaningful customer satisfaction program—providing an opportunity to offer their opinions and suggestions. The Department is well on its way to integrating customer feedback into DTS improvements and the entire scope of travel.



Today, travelers can use the Travel Assistance Center (TAC) for all DTS-related questions, to serve our many customers with accurate, courteous and timely service. The Department is revamping the travel training program to provide the knowledge and skills necessary for successful and efficient travel.

An effort is underway to centralize, consolidate and procure Commercial Travel Office (CTO) services. Centralizing CTO services will allow the Department to apply best practices, leverage buying power and improve working relationships between the Government and the travel industry.

The Department is working to increase DTS functionality to include deployment travel, special circumstances travel, permanent duty travel and military entrance processing station recruit travel. As part of our forward look, the Department will study the next generation of travel services—all travel services—beyond the lifecycle of DTS.

Accomplishments/Capabilities Delivered:

- Continued development of business intelligence capabilities (performance management and central travel data repository). These capabilities enhance DoD decision makers' access to timely and accurate financial management information. These capabilities are expected to be delivered incrementally.
- Awarded CTO task orders under the worldwide contract, beginning in May 2008 and scheduled to continue through Q1 FY09. Task order awards will result in tangential savings for the Department.
- Continued travel card transition activities; cards were mailed to card holders during Q4 FY08. These activities will ensure the Department is prepared to use the new cards in November 2008.
- Continued government-wide travel policy review. The Department has collaborated with General Services Administration (GSA) to review policies to ensure they are relevant, consistent and understandable.

Near-Term Plans:

- Continue development of business intelligence capabilities.
- Deactivate Government Travel Charge Cards with the existing credit card services provider on November 29, 2008. Activate cards with new provider on November 30, 2008. To ensure a seamless transition, the phased implementation plan includes:
 - Development and testing of all new systems and interfaces.
 - A comprehensive training program that will be delivered to Agency Program Coordinators (APCs).
 - A robust communications strategy will be employed to educate cardholders, DTS users and DTS administrators.
- Expand TAC services to handle all travel-related questions in Q1 FY09.
- Continue government-wide travel policy review.



Personnel Visibility Programs

Defense Integrated Military Human Resources System (DIMHRS)

Description

DIMHRS is the vehicle through which Department of Defense is revolutionizing military personnel and pay to support the 21st century warfighter. DIMHRS will be a fully integrated personnel and pay system for the Department that will support military personnel throughout their careers and retirement. It will consolidate nearly a hundred legacy DoD personnel support systems and provide a common military Human Resource (HR) and pay system for the Department using standardized business processes that generate data in a singular operating environment. This consolidation will result in greater standardization of data between Components, increased accuracy and timeliness of pay actions and will provide greater visibility of all military personnel. DIMHRS provides a single system of record encompassing most facets of a military career--supporting personnel and pay functions for Regular, Reserve and Guard personnel (and their families), whether on active duty or not, throughout their entire military careers through periods of peacetime, mobilization and war—regardless of movement between Components...one system, one record.

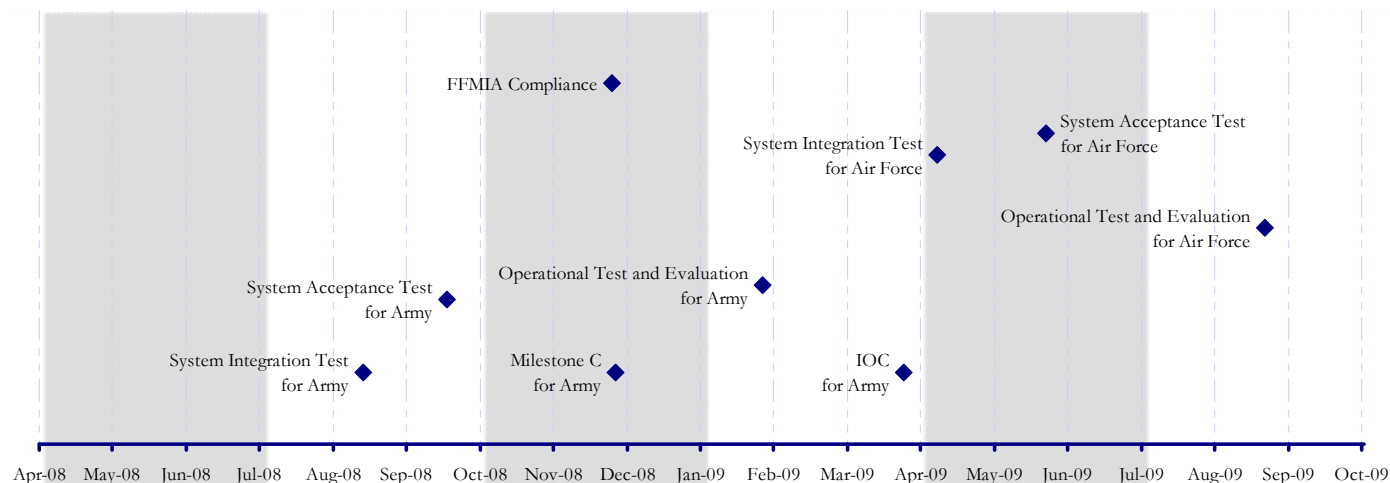
Approach

DIMHRS will be implemented incrementally for the Army, Air Force and Navy. At Initial Operational Capability, DIMHRS will deploy core functionality to support common military personnel and pay processes. As each Service is migrated to DIMHRS, unique Service-specific functionality will also be incorporated into the base product. DIMHRS will “go-live” for Army in Q2 FY09.

Benefits

DIMHRS is leading the way to transform the delivery of personnel and pay services within DoD. The approach of the DIMHRS program has been to create a framework in which current processes can be evaluated and reengineered to leverage personnel and pay best practices while continuing to support military personnel and pay requirements. Where possible, the program has developed common processes that all Services and Components can use while enforcing business rules based on the military service member's affiliation and status by implementing a Commercial Off-the-Shelf software products.

Timeline Diagram



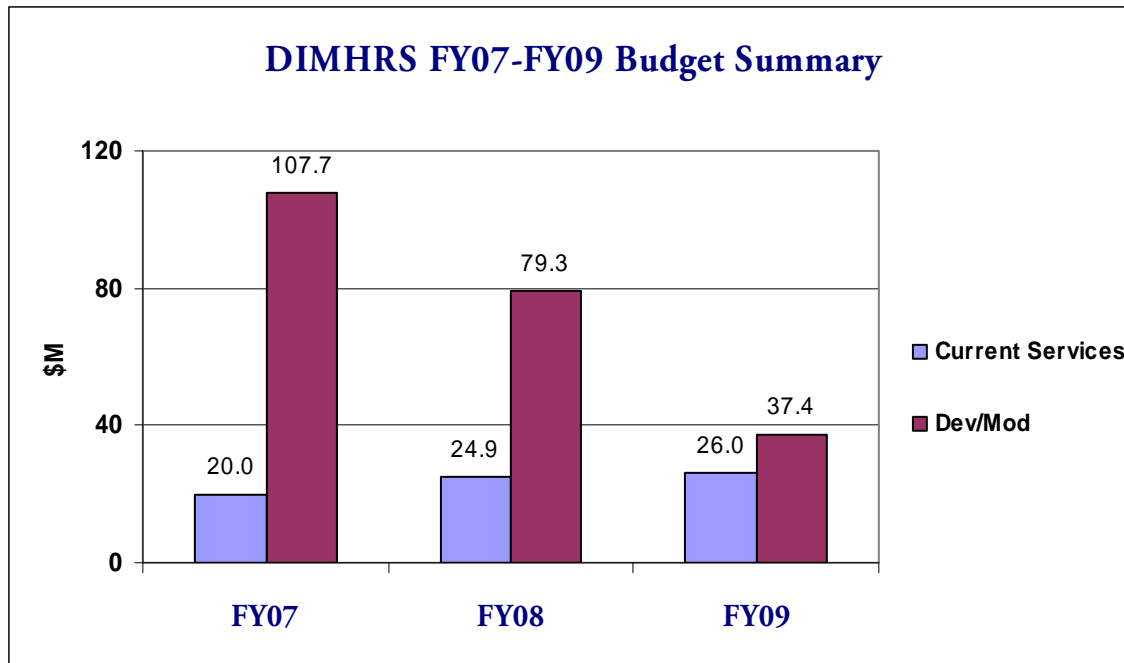
Legacy System Term Date

53 Systems	Sep-09
2 Systems	Oct-10
1 System	Sep-11
2 Systems	TBD



Defense Integrated Military Human Resources System (DIMHRS)

DIMHRS FY07-FY09 Budget Summary and Details



Accomplishments/Capabilities Delivered:

- Completed DIMHRS Functional Test in Q3 FY08. This event is the culmination of extensive efforts by the program to execute 1250 different test scripts, demonstrating that the combined previously tested software units, produce a fully operational product when integrated with the PeopleSoft Commercial Off-the-Shelf product. These efforts allow the next milestone of System Acceptance Testing to move forward and represent a significant program milestone.
- Completed DIMHRS Failover/Disaster Recovery Test Q3 FY08. This demonstrates that in the event of a failure of DIMHRS' primary production site, a viable backup site is able to assume operations and continue to support the critical personnel and pay needs of the warfighter.
- Completed end-to-end testing Q3 FY08. The end-to-end test, a follow-on to the functional test segment of System Integration Test (SIT), tested full business processes to include simulated interfaces with external systems and internal system processes such as pay calculation. Ninety-two complex test scripts have been executed to ensure data, processes and application functions are ready to support the complete military personnel and pay lifecycle.
- Continued multi-phased interface tests. These efforts are needed to ensure logic and accuracy within DIMHRS, as well as electronic connectivity that will interact with external clients. This testing is performed to expose faults in the interfaces and in the interaction between integrated components.



Defense Integrated Military Human Resources System (DIMHRS)

- Continued Pay Parallel Testing. Parallel testing is the act of duplicating, as nearly as possible, a portion of the pay processes under conditions that are similar to the conditions that will occur when DIMHRS deploys. Pay parallel testing confirms pay computation accuracy per entitlement as a system core competency. In addition, the pay parallel test validates data adequacy between the converted data and data necessary to integrate personnel information and the payroll engine.
- Completed Full Data Load/Conversion for foundation tables, person/hire positions, job hire, job history, orders and assignments. The information found in these tables will allow DIMHRS to maintain historical information on the workforce, update personal and job data, create action reason codes, set up salary increase data, enter termination and last date worked as well as view job summary information.

Near-Term Plans:

- Complete Army SIT and System Acceptance Test (SAT) in Q4 FY08. These activities test and evaluate delivered product capability and newly integrated functionality. These tests also include performance, failover/recovery, pay reconciliation, interfaces and security. Upon completion of SIT and SAT, preparations for Operations Test and Evaluation (OT&E) are initiated.
- Complete Operations Test and Evaluation (OT&E) for Army in Q2 FY09. OT&E takes place at operational field sites and is conducted under controlled conditions as practicable, without impacting normal operations and is a prelude to IOC. Operational Testing and Evaluation (OT&E) is required by Title 10 §2399 and must have the Director, OT&E approval. DOT&E analyzes Operational Test results and reports to OSD, USD(AT&L) and Congress. If this testing is not completed with confirmed results that the program is operationally effective, suitable and survivable, DIMHRS will not be able to deploy.
- Complete Army “Live” Pay testing in Q2 FY09. The “live” pay test provides Army and DFAS the confidence that DIMHRS can effectively calculate and disburse pay properly prior to implementation. It completes the cycle of complete pay testing which will be accomplished through the Pay, Parallel, Operational and Live Pay events.
- Complete Train the Trainer and all field end user testing in Q1 FY09. This activity prepares and provides participants the information they will need to manage the services for the transition to DIMHRS, allowing them to share and spread what they have learned to provide training. If this training does not occur, service personnel will not have the knowledge necessary to successfully use the system as intended. Without this training, end users would not have the understanding of how the system works in their areas of responsibility.
- Complete Air Force IOC in Q1 FY10. The Air Force’s transition will capitalize on lessons learned during the Army’s transition, as the Air Force becomes the second Service to utilize DIMHRS as the sole pay and personnel system.



Defense Integrated Military Human Resources System (DIMHRS)

System Metrics

SIT File Interface Testing Progress

Figure 3-6 reflects the progression of System Integration Testing (SIT). The steady increase in successful Phase 1 Testing and Interface Test Completion coupled with the reduction in test failures demonstrate forward momentum. Following completion of SIT, DIMHRS will move toward deployment and further enables the Manage Personnel and Pay Business Capability. This critical interface testing ensures precision of data as presented to external systems in a correct and efficient manner. This metric, updated weekly, also allows stakeholders visibility to assess the overall status and identify areas that may need attention, support, or review.

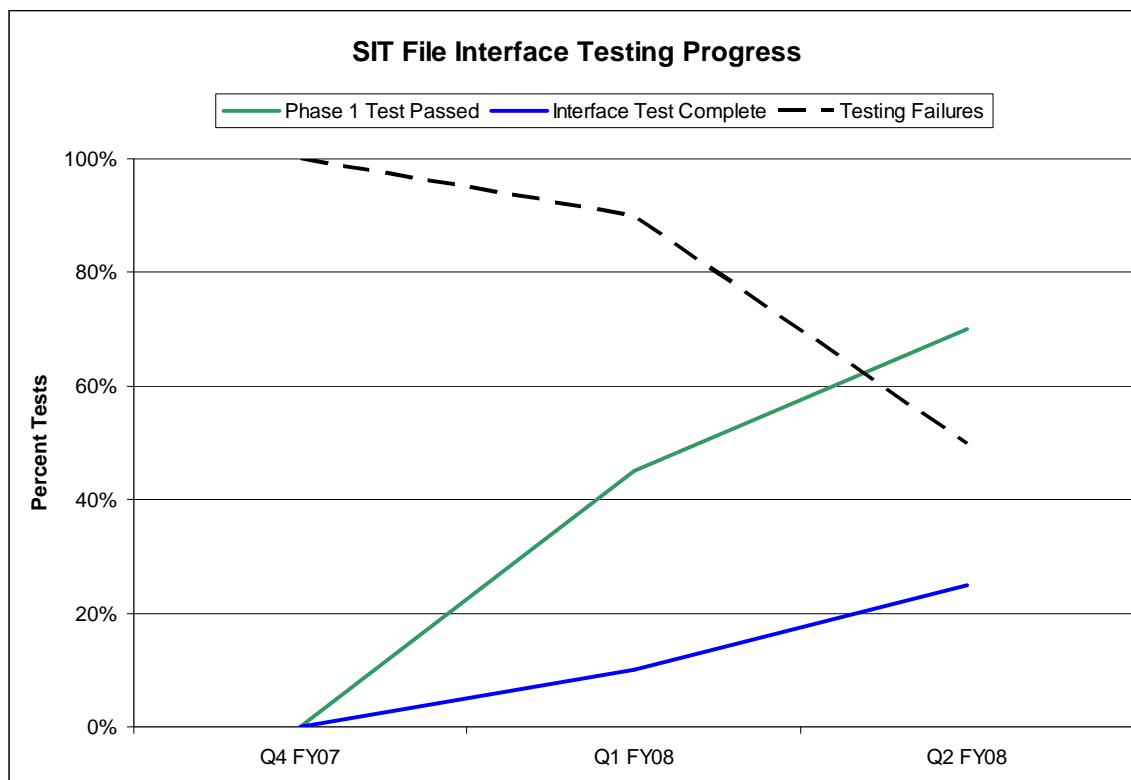


Figure 3-6: SIT File Interface Testing Progress



Defense Travel System (DTS)**Description**

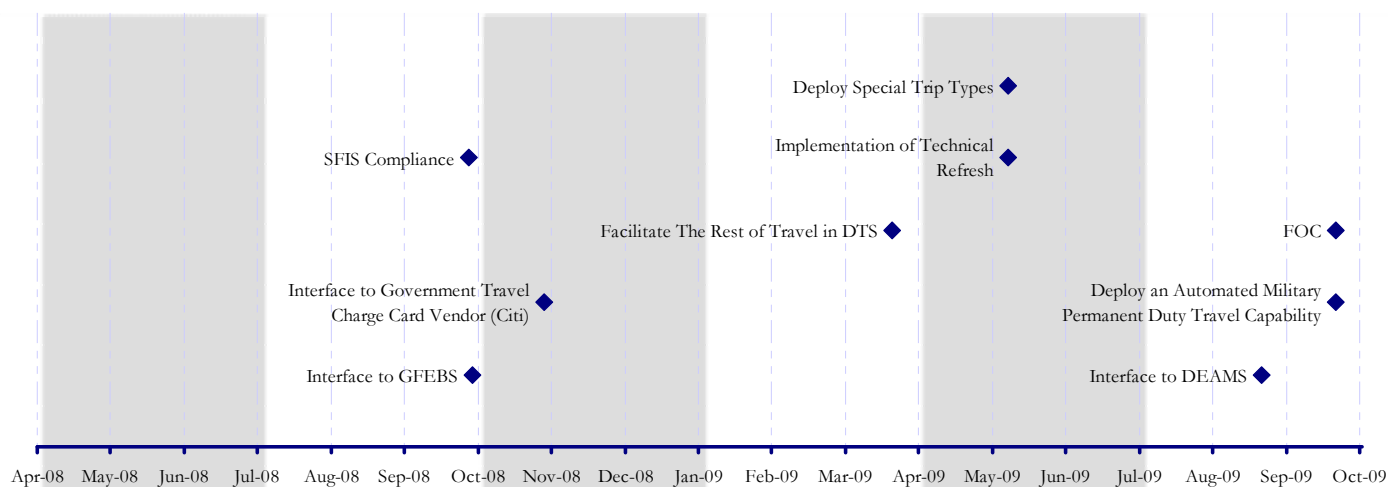
DTS is a fully integrated, electronic, end-to-end travel management system that automates temporary duty travel (TDY) for the Department of Defense (DoD). It allows travelers to create authorizations (TDY travel orders), prepare reservations, receive approvals, generate travel vouchers and direct deposit payment to travelers and the government charge card vendor, all via a single web portal available 24 hours a day, seven days a week. The Defense Business Transformation Agency (BTA) has program oversight and the Defense Travel Management Office, OUSD (P&R) has functional oversight.

Approach

The deployment of the Defense Travel System includes three Phases. Phase I and Phase II Fielding is complete. Phase I sites were pilot sites deployed prior to the Milestone C Decision that authorized full deployment of the system. Phase II sites are high travel volume and high visibility sites that collectively account for approximately 74% of all DoD temporary duty (TDY) travel. Phase III sites are the remainder of the approximately 9,800 total DoD sites worldwide. Deployment of DTS to these sites is the responsibility of the Services and Defense Agencies and is scheduled to be completed by the end of FY09, depending on the implementation of additional DTS functionally.

Benefits

DTS benefits include: Rapid creation of travel authorizations and vouchers; automated approval process; personalized online reservations and itinerary changes for airline, lodging and rental cars; detailed pre-travel entitlement computations; direct deposit and split disbursements to both traveler and the Government Travel Charge Card vendor; timely payment of travel claims; 24/7 availability via a single web portal; Reduced transaction costs.

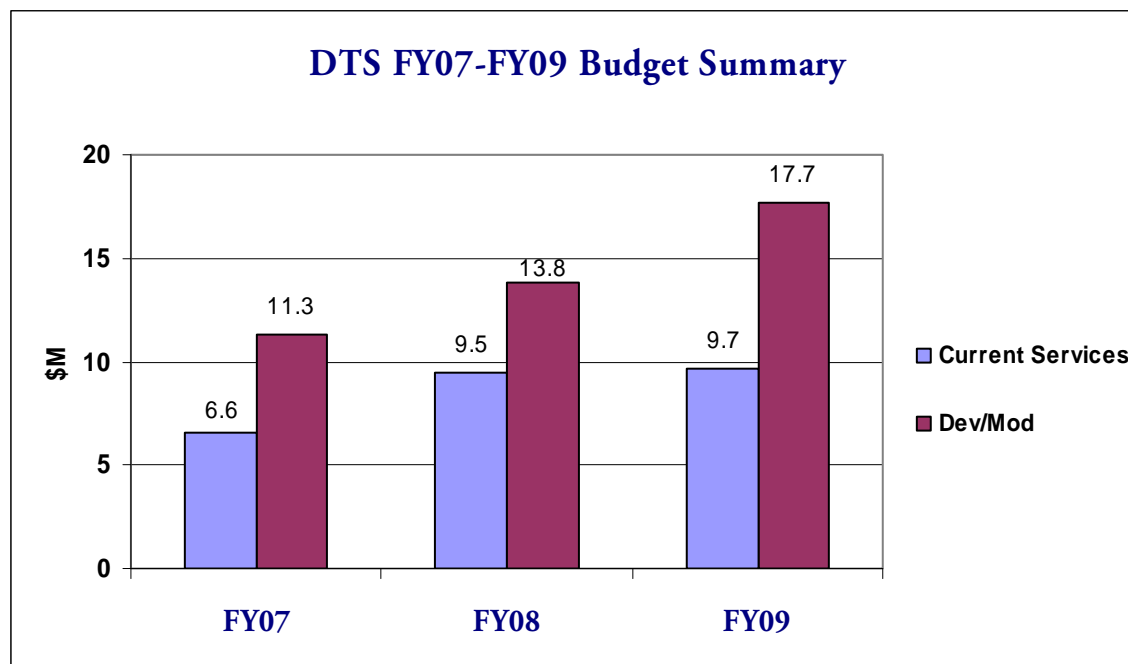
Timeline Diagram**Legacy System Term Date**

FAST	Jun-07
IATS	TBD



Defense Travel System (DTS)

DTS FY07-FY09 Budget Summary and Details



Accomplishments/Capabilities Delivered:

- Opened TAC to all Air Force (April 2008) and Army (July 2008) callers for DTS-related questions.
- Completed second DTS Customer Satisfaction Survey in May 2008. One of the survey's objectives is to assess DTS usability and traveler satisfaction with DTS. Customer feedback will direct the Department focus on changes in the areas that provide the most value to users.
- Developed and began rolling out 20+ Distance Learning courses for DTS. Roll-out of courses is staggered and continued throughout FY08.
- Continued implementation of 943 Study recommendations:
 - Continuation of Reservation Refresh - Conducted an impact study and drafted change requests to improve the Reservation Module in March 2008.
 - Explore a service-oriented architecture approach - Developed an enterprise service maturity roadmap for possible DTS to migrate from its current baseline architecture to a service-oriented architecture in Q4 FY08.
 - Add CTO Assistance button – Implemented functionality, allowing users to request full commercial travel office assistance in September/October 2008.
 - Improve DTS usability – Concluded usability site visits in June 2008. Submitted results and long-term recommendations in September 2008. Assessing and enhancing the usability of DTS ensures that it is a responsive and valued tool for the traveler.
 - Mandate use of DTS - Released memorandum mandating the use of DTS to the Department for all current and future supported travel functions in March 2008.
 - Improve DTS capability:
 - Released enhancements to increase the user friendliness of the Centrally Billed Accounts (CBA) reconciliation module (i.e., new reports with actual dates, updated language and e-mail alerts), in Q4 FY08.



Defense Travel System (DTS)

- Submitted Deployment Travel functional requirements in Q4 FY08.
- Discontinue use of legacy systems:
 - Completed plan to determine the functionality provided by legacy systems and determine if DTS can support this functionality in Q2 FY08.
 - Improved Fiscal Year Crossover processes in September 2008.
 - Established interfaces to the following systems (September 2008) and testing is underway:
 - Marine Corps Total Force System (MCTFS) completed
 - General Funds Enterprise Business System (GFEBS)
 - Defense Agencies Initiative (DAI)
 - Logistics Modernization Program (LMP)
 - Comptroller Automated Budget System (CABS)

Near-Term Plans:

- Establish an interface with a new Government Travel Charge Card vendor in Q1 FY09.
- Continue implementation of 943 Study recommendations:
 - Improve DTS usability - Develop requirements and implement functionality for usability improvements beginning Q1 FY09.
 - Improve DTS capability:
 - Submit Military Entrance Processing Station functional requirements in Q1 FY09.
 - Deploy Special Circumstances travel functionality in April/May 2009.
 - Deploy "The Rest of Travel" functionality in March 2009.
 - Deploy Military Permanent Duty Travel functionality in September 2009.
- Declare FOC in September 2009.

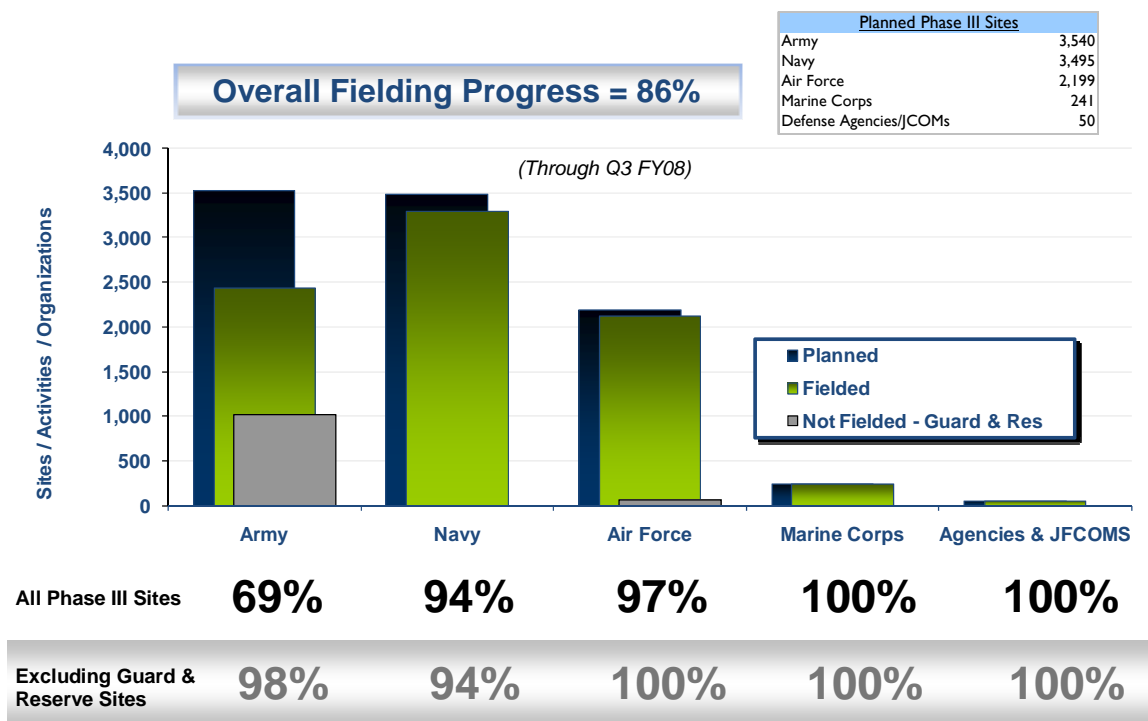


Defense Travel System (DTS)

System Metrics

The Department monitors DTS usage and progress through three metrics--Fielding, Reservation Module Usage and TDY Voucher Processing.

Phase III Fielding



Overall fielding progress to date is 86%. The Military Services plan to complete fielding by the end of FY09.

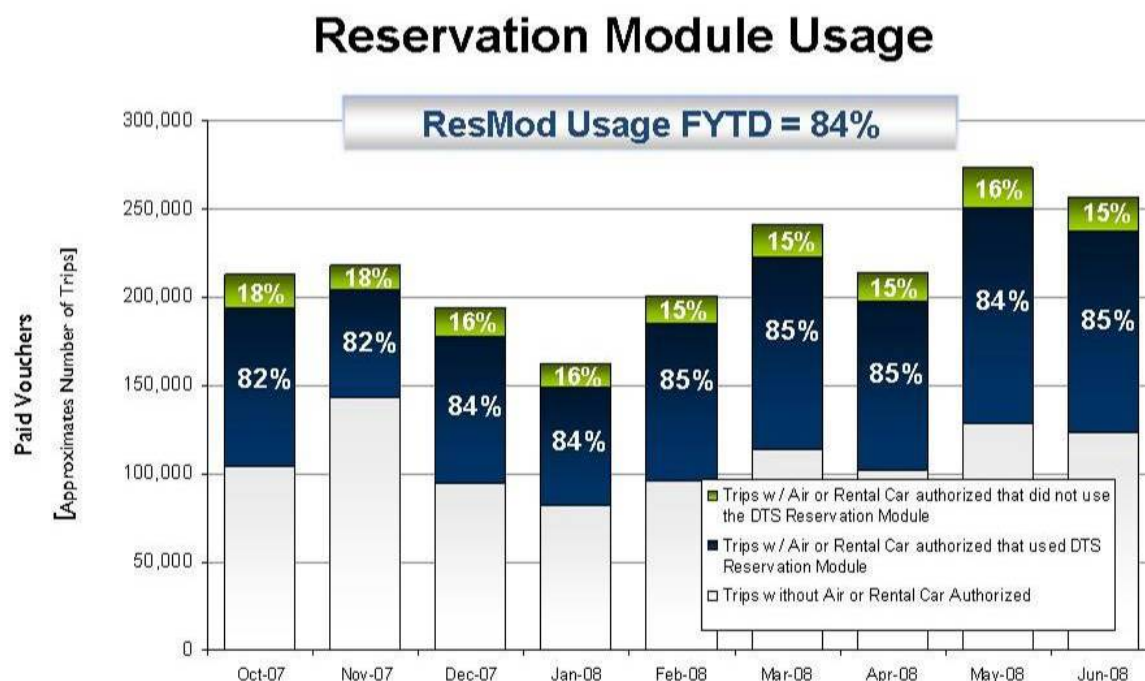
Figure 3-7: DTS Phase III Fielding



Defense Travel System (DTS)

Reservation Module Usage

Reservation Module usage through Q3 FY08 is 84%. This metric tracks the percentage of DTS users who use the Reservation Module to arrange their travel plans.



Note: 2.4 percent of trips with reservation opportunities that did not use the Res Mod are early departure trips with authorizations created within 2 days or less of travel.

Figure 3-8: DTS Reservation Module Usage



Defense Travel System (DTS)

DTS Vouchers Processed

TDY Voucher Processing in DTS continues to experience exponential growth. DTS is on track to process nearly 3.2 million vouchers in FY08. This represents a 128.6% increase over the 1.4 million vouchers processed in the system in FY06.

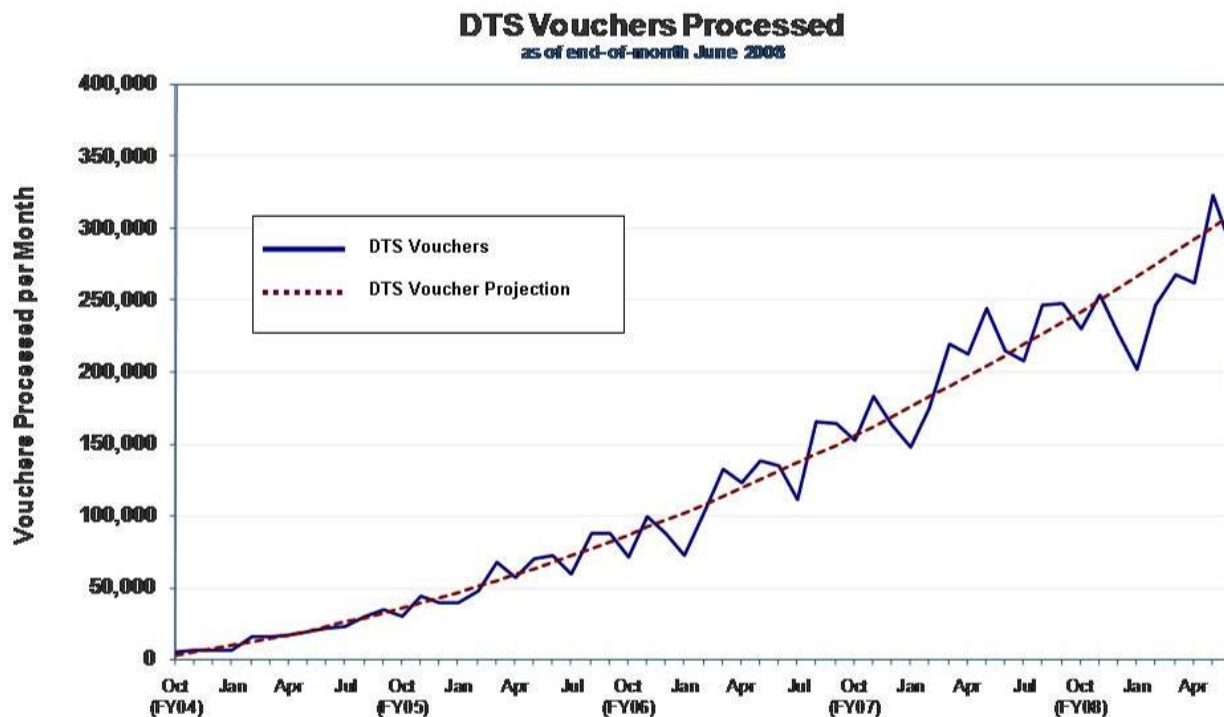


Figure 3-9: DTS Vouchers Processed as of end-of-month June 2008

Increasing DTS usage is the key to understanding, managing and reducing the costs of DoD travel using a consolidated data source. This consolidated data increases the ability to capture business intelligence, which helps the Department to measure the efficiency and effectiveness within the Defense Travel Enterprise.



Defense Civilian Personnel Data System (DCPDS)**Description**

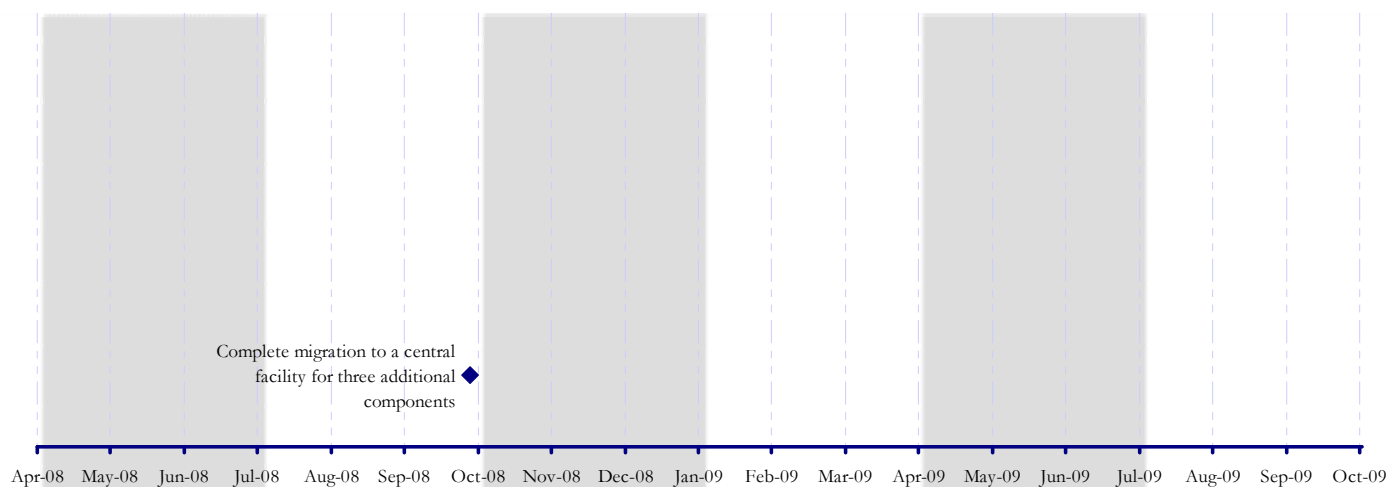
DCPDS is a single, web-based Human Resources (HR) system that standardizes civilian HR processes and promotes efficiency of HR service delivery. The system uses a standard, easy-to-follow user interface. DCPDS is also the largest automated HR system in the world, containing over 800,000 civilian employee records and over 1.5 million position records. DCPDS supports all targeted DoD civilian employees and organizations. It is fully deployed across the Department and is the enterprise civilian HR system. DCPDS supports appropriated and non-appropriated fund (NAF) employees, Local Nationals and National Guard (NG) personnel through 22 DoD Regional Service Centers (RSCs) and over 300 Customer Support Units (CSUs) worldwide and the Executive Office of the President (EOP) and the International Broadcasting Bureau (IBB)/Broadcasting Board of Governors (BBG). System upgrades and enhancements to DCPDS continue today as an organized, coordinated activity centrally managed by Civilian Personnel Management Service (CPMS) who is responsible for functional and technical oversight.

Approach

The deployment of the system began in October 1999, reaching Full Operational Capacity (FOC) on September 27, 2002. The Civilian Personnel Management Service (CPMS) managed DCPDS development and deployment and currently administers the operation, maintenance and sustainment of DCPDS. The migration of DCPDS from a client-server to a web-based environment was completed in 2003. DCPDS is on the critical path for the Department's implementation of the National Security Personnel System (NSPS) and the establishment of a performance-based HR system. In addition, CPMS in partnership with the Defense Finance and Accounting Service (DFAS) completed a study recommending the development of an integrated DoD civilian HR/Payroll system. This enhancement to the existing DCPDS also requires the consolidation of the DCPDS regional databases, currently operated by the Components, into a platform at a single location leading to net-centricity for the DCPDS Enterprise.

Benefits

The development of DCPDS was initiated in December 1994 under the Regionalization and Systems Modernization Program. A single, standard automated personnel system was developed to support civilian HR operations. DCPDS allowed the Department to improve its ratio of personnel specialists to employees serviced from 1:66 to 1:81, resulting in annual savings of almost \$200 million.

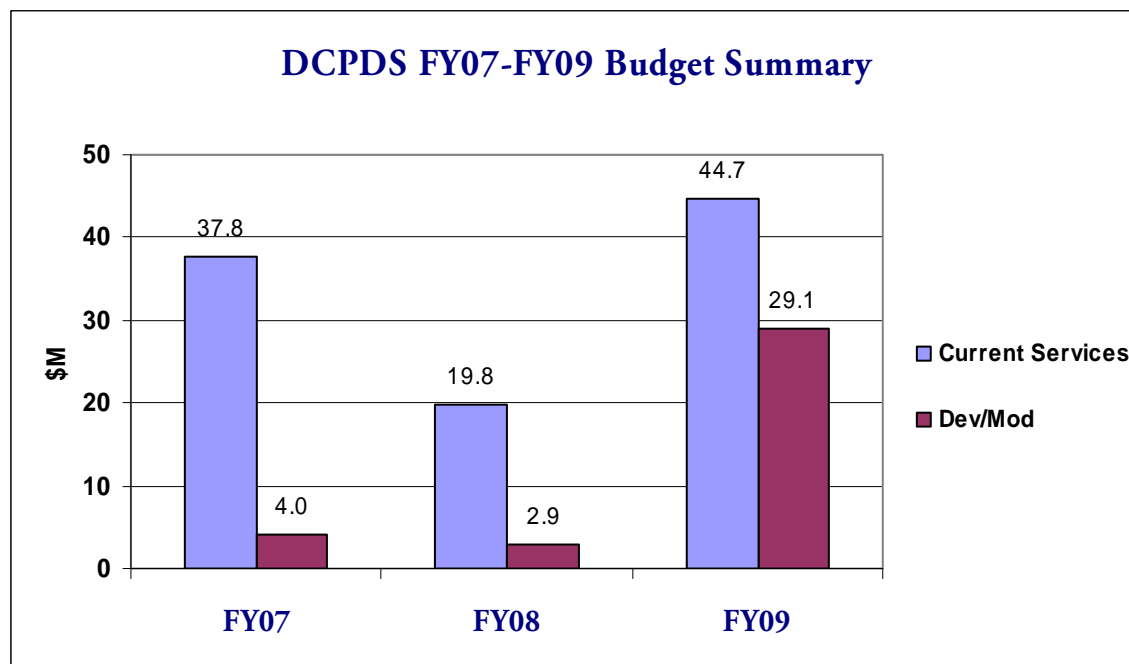
Timeline Diagram

No Legacy Systems Identified



Defense Civilian Personnel Data System (DCPDS)

DCPDS FY07-FY09 Budget Summary and Details



The level of funding is sufficient for near term initiation of projects. However, additional funding for full development is required.

Planned modernization in FY09 includes the integration of payroll with the current HR functionality.

DCPDS FY09 funding shown under Current Services represents requested funds for continuing DCPDS sustainment. The sustainment contract period of performance was realigned/reduced in FY08 and FY09 reflects resumption of full funding.

Accomplishments/Capabilities Delivered:

- Migrated three Defense Agencies customer communities to the Denver Data Center in support of the consolidation of DCPDS enterprise operations.
- Built a proposed HR Payroll executable program by Q3 FY08 in accordance with future funding allocation.
- Completed the fielding of reduced sign-on capabilities for all Services and Defense Agencies.

System Metrics

Serving Ratio

The number of personnel dedicated to supporting civilian HRM functions divided by the total civilian user population, expressed as a fraction. This gives an indication of savings in manpower for system operations and facilitates the economic viability analysis to indicate business improvements.

- Current ratio is 81:1



Defense Civilian Personnel Data System (DCPDS)

Customer Satisfaction

The percentage of users that agree the primary civilian HRM System (DCPDS) meets expectations. User expectations are driven by user perceptions and the requirements placed on the user in the DoD environment. This is the ratio of the population that agrees that DCPDS meets expectations divided by the total user population.

- Current user satisfaction level is at 64%.

Service Level Agreements

This metric tracks the overall technical viability of the system to perform its functions. The non-weighted average of 11 individual service level agreements addresses system availability, data integrity, system robustness and system flexibility with respect to change.

- The results of the four quarters ending in March 2008 regarding service level agreements used to evaluate DCPDS operations are scored 4.75 out of 5.0.

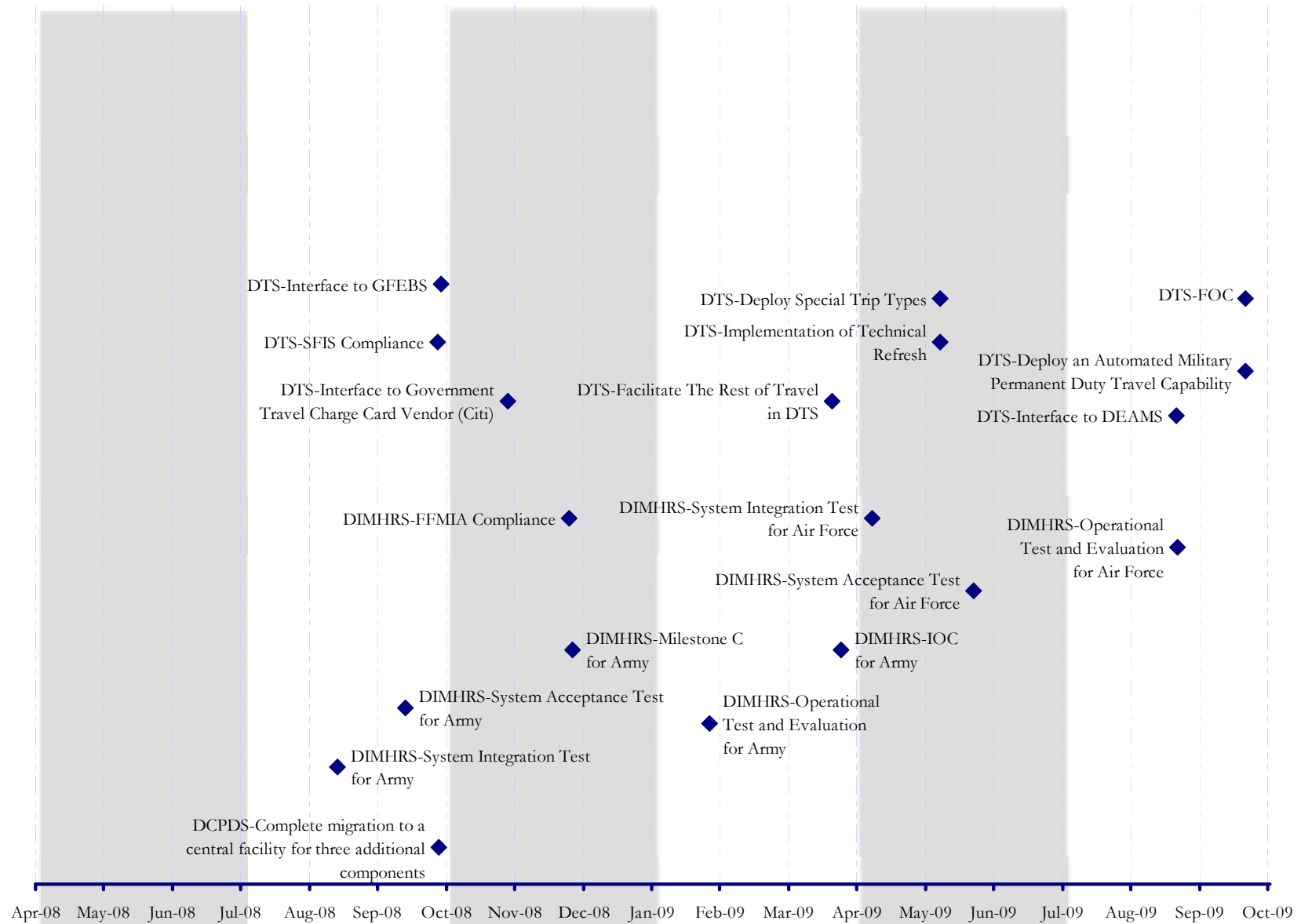


Personnel Visibility Dashboard

Personnel Visibility (PV)																					
<p>Personnel Visibility (PV) is the fusion of accurate human resources (HR) information and secure, interoperable technology within the Human Resources Management (HRM) Core Business Mission. PV is defined as having reliable information that provides visibility of military service members, civilian employees, military retirees, contractors (in theater) and other U.S. personnel, across the full spectrum—during peacetime and war, through mobilization and demobilization, for deployment and redeployment, while assigned in a theater of operation or at home base and into retirement. This includes ensuring timely and accurate access to compensation and benefits for DoD personnel and their families and ensuring that Combatant Commanders have access to the timely and accurate data on personnel and their skill sets.</p> <p>The goal of PV is to provide accurate, timely and readily available personnel information (including data on military, civilians, contractors and coalition resources supporting the operation) to ensure accurate and timely compensation and benefits.</p>	Systems & Initiatives																				
	Transformational																				
	Defense Travel System (DTS) Defense Integrated Military Human Resources System (DIMHRS) Defense Civilian Personnel Data System (DCPDS)																				
	Fully Implemented <p>DCPDS is a fully implemented program; however, it will continue as a transformation program because of the potential future integration of civilian human resources (HR) and payroll. Migration to a central facility is key in consolidating DCPDS operations and supporting the potential implementation of integrated HR and payroll.</p>																				
FY07-FY09 Budget Summary																					
<table><thead><tr><th>Fiscal Year</th><th>DCPDS (\$M)</th><th>DIMHRS (\$M)</th><th>DTS (\$M)</th><th>Total (\$M)</th></tr></thead><tbody><tr><td>FY07</td><td>41.8</td><td>127.7</td><td>17.9</td><td>187.4</td></tr><tr><td>FY08</td><td>22.7</td><td>104.2</td><td>23.3</td><td>150.2</td></tr><tr><td>FY09</td><td>73.8</td><td>63.4</td><td>27.4</td><td>164.6</td></tr></tbody></table>		Fiscal Year	DCPDS (\$M)	DIMHRS (\$M)	DTS (\$M)	Total (\$M)	FY07	41.8	127.7	17.9	187.4	FY08	22.7	104.2	23.3	150.2	FY09	73.8	63.4	27.4	164.6
Fiscal Year	DCPDS (\$M)	DIMHRS (\$M)	DTS (\$M)	Total (\$M)																	
FY07	41.8	127.7	17.9	187.4																	
FY08	22.7	104.2	23.3	150.2																	
FY09	73.8	63.4	27.4	164.6																	
Objectives																					
<ul style="list-style-type: none">• Provide access to more reliable and accurate personnel information for warfighter mission planning• Provide cross-service support and ensure accurate and timely access to data on personnel and their skill sets for Combatant Commanders• Decrease operational cost and cycle times, enabled by increased consistency of data, reduced rework and data calls• Improve accuracy, completeness and timeliness of personnel strength reports• Reduce or eliminate duplicative data capture and system access activities• Ensure accurate and timely access to and delivery of compensation, quality of life and other benefits for DoD personnel and their families• Improve occupational safety through analysis of environmental and safety information and related personnel exposures• Improve military healthcare delivery through implementation of an electronic record																					
Changes since the March 2008 Congressional Report																					
<p>There are no changes to the list of target transformational programs for PV.</p>																					



PV Milestone Summary



Case in Point: Mobilization

Support of military operations in Afghanistan and Iraq has required the utilization of Army National Guard and Reserve forces at a level unprecedented in the modern era. The resultant strain on the systems and processes that support mobilization and demobilization has clearly pointed to the need for improvement in a number of key areas. Foremost among these are the improvements required to ensure accurate and timely human resources and pay support for mobilized Soldiers.

Currently each of the Army's Components utilizes separate systems and databases to provide human resources and pay support to the Soldier. While the separate databases are similar, the differences are significant enough to make the effective transfer of a given Reserve Soldier's electronic record to the Active Component's databases difficult and at best, error prone. The Army Human Resources professionals, with support from the Defense Finance and Accounting Service (DFAS), have done a commendable job of developing processes to minimize the inevitable errors and the pay impacts resulting from those errors. But, like almost all workarounds, these processes are time consuming and resource intensive.

DIMHRS delivery to the Army in March of 2009 will begin the elimination of the issues outlined above. Under DIMHRS, all Soldier records, regardless of Component will reside in a single database supported by a single integrated personnel and pay system. When a Soldier mobilizes and demobilizes the duty status associated with that Soldier's single authoritative record will simply change to reflect the Soldier's new status. Since DIMHRS fully integrates personnel and pay into one system, changes reflecting the Soldier's new pay status will be triggered automatically or with a minimum of human intervention. Of equal importance, the establishment of a single authoritative personnel record supported by a single human resources system will ensure updates to the Soldier's record, whether made in theater or at a Reserve Component unit, are accurately reflected and are not lost when the Soldier demobilizes.

Finally, DIMHRS will be the common military personnel and pay system used by all three Military Services, so there will be no requirement to retrain mobilizing units. This will streamline the transition to active duty and will ensure unbroken continuity of human resources and pay support for mobilized Soldiers.



Acquisition Visibility Definition and Goal

Acquisition Visibility (AV) is defined as achieving timely access to accurate, authoritative and reliable information supporting acquisition oversight, accountability and decision making throughout the Department for effective and efficient delivery of warfighter capabilities.

AV brings transparency to critical information supporting full lifecycle management of the Department's processes that deliver weapon systems and automated information systems. This goal fully supports the responsibilities, scope, objectives and business transformation requirements of the Weapon System Lifecycle Management (WSLM) Core Business Mission (CBM).

Strategy for Acquisition Visibility

The cornerstone of the AV strategy is establishment of a capability to support Defense acquisition decision making. The capability is more than a technical mechanism; the foundation of the capability is governance of decision-making data within the Defense acquisition business community, supported by the WSLM governance structure, which was officially established in September 2008. Through the use of a service-oriented architecture (SOA), WSLM-governed data is available on demand. This strategy permits DoD communities to continue operating their own heterogeneous business systems, while standardizing and regulating the available data and the systems' external interfaces to make transparent, timely and accurate authoritative data available to acquisition decision makers.

As a continuation of the successful demonstration of the Capability in December 2007, the Under Secretary of Defense (Acquisition, Technology and Logistics) (USD(AT&L)) issued a memorandum on July 25, 2008, directing the implementation of SOA within the DoD Acquisition Community. Leadership within the USD(AT&L)) and the Components are now conducting a pilot to further solidify the SOA Capability. The pilot increases the breadth of visibility to decision-making data by expanding the scope of both the Major Defense Acquisition Programs (MDAPs) and the Defense acquisition data elements included in the services that make up the SOA.

As demonstrated, this approach employs a governance mechanism that develops and maintains standards that:

- Define the content of the Defense acquisition data elements to be exchanged.
- Assign the institutional responsibility for maintenance of the authoritative version of each data element within the system.
- Establish data technical standards.

The delivery mechanism is a SOA in which Defense acquisition decision-making data is pulled directly from authoritative sources and made available for authorized tools to consume.

AV goals are achieved by the retrieval and use of authoritative data, which are packaged as services to be consumed by authorized users. This approach is attractive to DoD for several reasons. It:

- Is inherently flexible, robust and extensible.
- Does not require the replacement of the many existing DoD Enterprise business systems, but leverages existing capabilities/data in the legacy environment.
- Enables DoD senior management to focus on data elements and associated processes that are most important to acquisition decision making.

AV

OBJECTIVES

- Provide governance and accountability for acquisition decision making data
- Provide the framework for access to authoritative data for acquisition decision making
- Provide definitions and business rules to define authoritative data for acquisition decision making

Programs and Activities Enabling AV:

- DAMIR
- MEVA
- AV SOA
- SAR-PB Reconciliation



This Defense acquisition decision-making capability establishes conditions for the use of a new generation of business intelligence tools, such as Defense Acquisition Management Information Retrieval (DAMIR) and Kaleidoscope, which are in use within DoD, as well as others being developed in the commercial sector. It will enable the integration of existing business system improvement efforts such as Central Repository, which provides and supports centralized reporting, collection and distribution for key acquisition Earned Value Management (EVM) data. It also provides a flexible data framework to support future acquisition information management and business process needs.

Business Capabilities and Program Mapping

Business Capabilities define what is necessary to direct DoD's business systems modernization efforts that enable efficient and effective business operations. The following table displays the Business Capabilities that the AV programs will deliver, based on their mappings to Version 5.0 of the Business Enterprise Architecture (BEA).

Business Capabilities	DAMIR	MEVA	AV SOA
Conduct Program Management	•		•
Manage Acquisition Oversight Integration	•		•
Perform Asset Accountability		•	

This table shows the relationship between Business Capabilities and the improvements that are being enabled by AV programs.

Business Capability Improvements
Capability: Manage Acquisition Oversight Integration
AV SOA: Establish acquisition data definition and authority through governance and provide a mechanism to obtain on-demand access to the authoritative data. Once implemented beyond the pilot phase, the SOA and associated governance will provide situational awareness of the acquisition status MDAPs to decision makers.
DAMIR: Provide a unified, web-based interface for Office of the Secretary of Defense (OSD), Services and other selected entities to access the various data sources the Defense Acquisition community uses to manage and report status of MDAPs and Major Automated Information System (MAIS) programs.
Capability: Conduct Program Management
AV SOA: Establish acquisition data definition and authority, through governance and provide a mechanism to obtain on-demand access to the authoritative data. Once implemented beyond the pilot phase, the SOA and associated governance will provide a common, unified strategy for acquisition reporting.
DAMIR: Provide a unified, web-based interface for Office of the Secretary of Defense, Services and other selected entities to access the various data sources the Defense Acquisition community uses to manage and report status of MDAPs and Major Automated Information System (MAIS) programs. Supports achievement of statutory requirements for Selected Acquisition Report (SAR) reporting.
Capability: Perform Asset Accountability
MEVA: Uniquely identify and track assets in an Accountable Property System of Record (APSR).



Business Capability Metrics

Metric: Conduct Program Management and Manage Acquisition Oversight Integration

Efforts to date have provided improved decision-making capability in two visibility dimensions, as shown in Figure 3-10, obligation authority and breadth of acquisition data. The AV SOA demonstration, in December 2007, demonstrated the ability to make 61 authoritative data elements visible for 12 programs, totaling approximately 6% of the MDAP Future Years Defense Plan (FYDP). The AV SOA Pilot, in Fall 2008, will make 140 authoritative data elements visible for 36 programs, totaling approximately 75% of the MDAP FYDP. This data will be available, on demand, to support program management and oversight. This improvement will provide DoD decision makers with insight into MDAP status for key programs. Of the 36 programs for which data will be available in Fall 2008, 17 are high dollar-value programs and nine are high-interest programs.

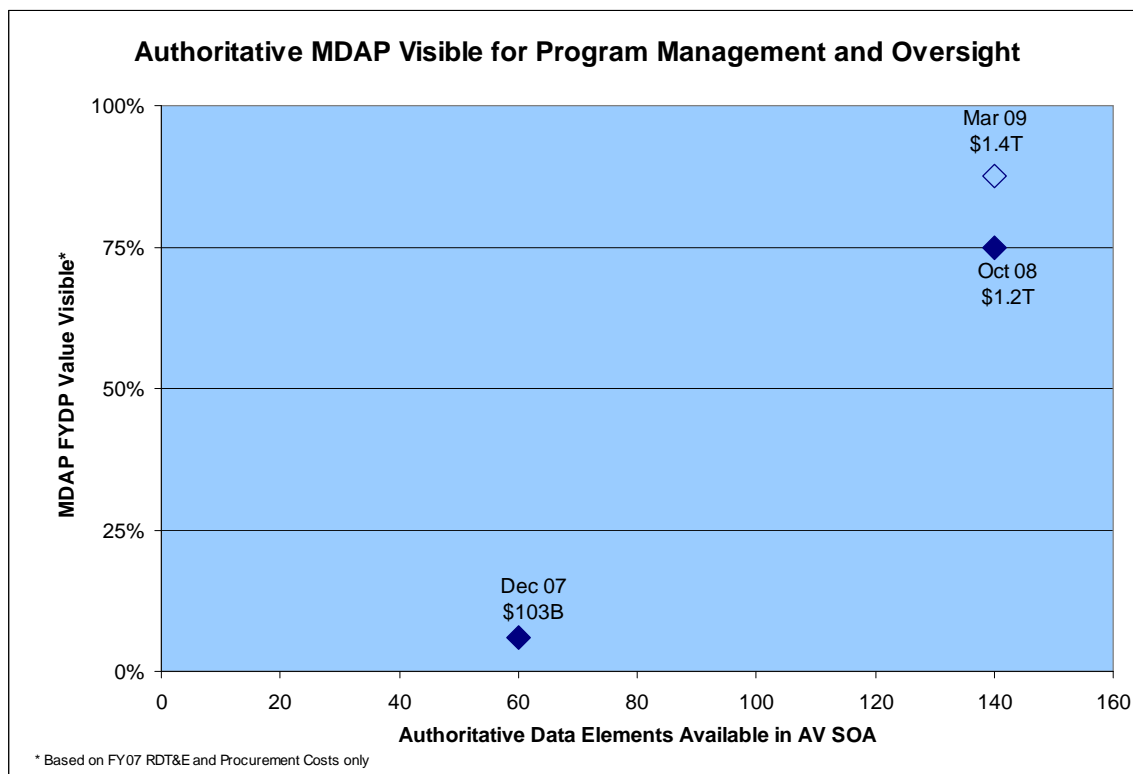


Figure 3-10: Authoritative Data Elements Available in AV SOA

It is anticipated that data for additional programs, with a total value of approximately \$1.4 trillion (T), will be added by March 2009.

The WSLM Senior Steering Group (SSG) has carefully selected the 140 data elements for the pilot based on their collective value in creating an overall picture of the health of an MDAP in terms of cost, schedule and performance. More data is not necessarily better. Each participating program office has designated the authoritative source for each of the 140 data elements for its program. These data elements provide decision-making information in the following categories:

- **Earned Value Management** – Data from the Contract Performance Report (CPR) provides contractor progress on contract deliverables.
- **Nunn-McCurdy Unit Cost** – Current Estimate, Current Acquisition Program Baseline (APB) and Original APB Unit Cost data reported at the total-appropriation level to provide insight about how the program is performing relative to the APB.



- Budget Submission – Recent PB and Program Objective Memorandum (POM)/Budget Estimate Submission (BES) submission by appropriation and fiscal year to provide a reference point for the acquisition community in POM 10 analysis.
- Milestone – Program milestones as agreed upon in the APB to provide the ability to track milestone progress.
- Science & Technology – Key Performance Parameters, thresholds, objectives and current measurement to provide insight about how the program is performing relative to desired results.

The WSLM SSG will consider additional data elements in the future, as requested by decision makers in the Defense acquisition community.

Metric: Perform Asset Accountability

The MEVA program provides improvement to the Perform Asset Accountability Business Capability. The program was initiated to achieve financial management improvements for DoD related to establishing the acquisition cost of DoD Military Equipment capital assets, ensuring physical accountability and accurate reporting on DoD's annual financial statements. DoD recognized that it did not have a systematic, enterprise-wide Business Capability to account for military equipment assets and relate those assets to their financial value. This metric, as shown in Figure 3-11, reported and monitored by the USD(AT&L)) (Acquisition Resources and Analysis) tracks the progress, in an APSR, toward the elimination of the systemic weakness, as programs are capable of uniquely identifying and managing assets over their lifecycle.

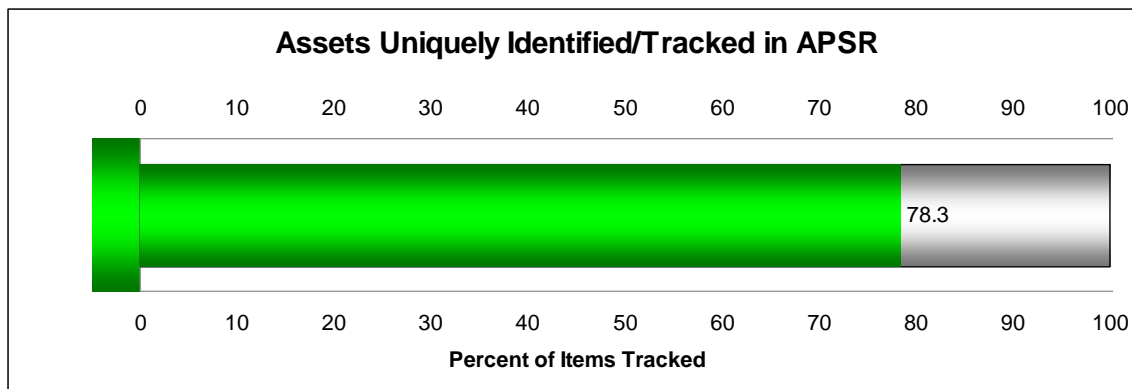


Figure 3-11: Assets Uniquely Identified/Tracked in APSR

Transformational Activities

AV SOA: Following a successful December 2007 demonstration, a pilot is being conducted to expand the SOA capability to include additional MDAPs and additional data elements and associated services.

Accomplishments/Capabilities Delivered:

- Through WSLM governance, established a framework for Defense acquisition decision-making data and agreed-upon functional definitions for 140 data elements in Q4 FY08. The framework includes the following data categories: Earned Value Management (EVM), Nunn-McCurdy Unit Cost, Budget Submission, Milestone and Science and Technology. The framework supports informed MDAP oversight and decision making across programs.
- Through WSLM governance, established a Community of Interest (COI) for Defense acquisition data in Q3 FY08. The COI focused on developing metadata and other technical specifications for WSLM-governed data.
- Conducted collaborative effort to establish AV SOA Pilot environment and services in Q4 FY08. SOA capability, coupled with data governance, increases the timeliness and accuracy of data available for DoD decision makers' to use in program management and oversight for ~75% of the total dollar value of MDAPs.



Near-Term Plans:

- Provide strategy for an operational production environment and for maturing Defense acquisition data governance in Q2 FY09.

Selected Acquisition Report and President's Budget (SAR and PB) Reconciliation: An effort was undertaken to resolve inconsistencies between the costs reported in the annual SAR for MDAPs and the PB FYDP database, as reflected in the Services' budget justification books. The goal is to clarify to Congress, as part of SAR submissions, how allocated funds are being used.

Accomplishments/Capabilities Delivered:

- Submitted SARs in April 2008 that contained explanation for principal components of SAR/PB differences, in support of the 2009 Presidents Budget request. This clarification about the disconnect between SARs and the PB supports Congress in understanding DoD management decisions.

Near-Term Plans:

- Institutionalize the processes and procedures used in 2008 to support the 2009 President's Budget submissions in Q3 FY09. Defense staff will be engaging the SAR preparation process, reconciling budget submissions with program data provided by Program Management Offices in the SARs.



Acquisition Visibility Programs

Military Equipment Valuation and Accountability (MEVA)

Description

MEVA's goal is to develop a capability that values and accounts for military equipment, to achieve financial management improvements required by the President's Management Agenda. Meeting this requirement achieves two objectives for DoD: (1) it gives DoD decision makers reliable, accurate information that can be compared over time and between programs and which will allow for better investment planning. (2) MEVA will enhance the public's trust of DoD.

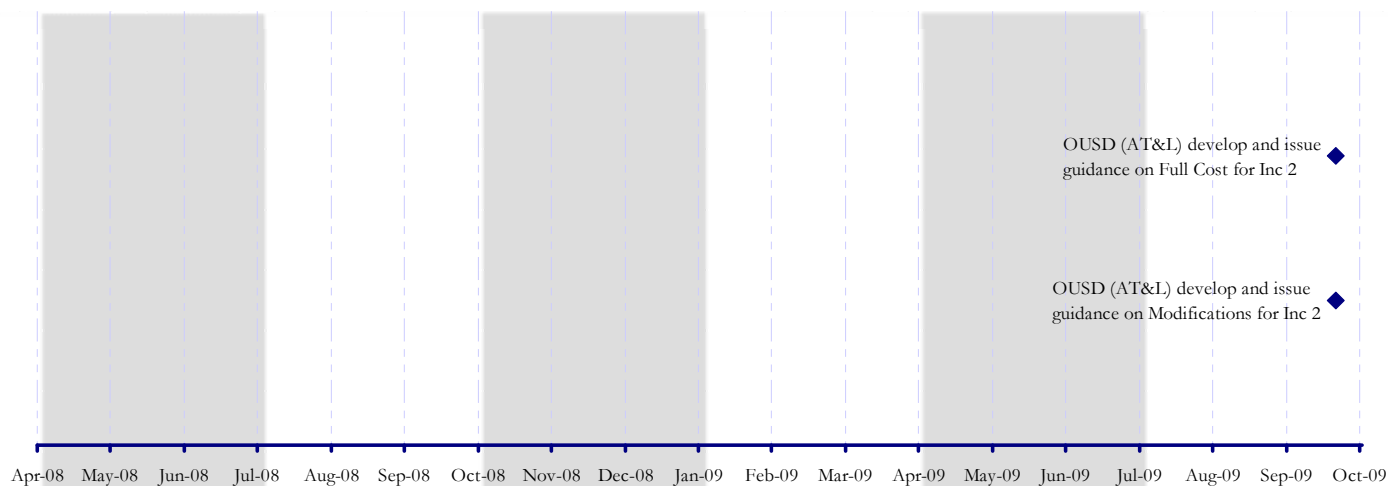
Approach

In development of the Capital Asset Management System–Military Equipment (CAMS-ME) system, MEVA is using a spiral development model consisting of two increments. Increment 1, deployed Q3 FY06, provides a complete capability to value military equipment programs and report these numbers on a quarterly and annual basis. Increment 1 interfaces with Business Enterprise Information Services to import expenditure data from the core financial accounting systems. It provides a web-portal front-end that allows users to update asset status and provides the capability to calculate the average cost per fiscal year of ME assets and reporting data. Increment 1 also makes results available (e.g., asset additions, losses and transfers and average cost by program/sub-program) as a flat-file for the Components. Increment 2 will provide more accurate costs and better asset identification, by moving from program-based to contract-based valuations and will also focus on full cost recognition, improved asset identification and management and automation. Increment 2 will further leverage the primary capabilities of Increment 1 by providing the capability to segregate capital and non-capital costs of ME from General Property and Equipment. It will interface with DoD Unique Identifier registries to receive asset and program information.

Benefits

The value of military equipment must be provided in a timely manner and calculated in accordance with federal accounting standards (Statement of Federal Financial Accounting Standards (SFFAS) No. 6 and 23). This is required for Components to gain favorable audit opinion. MEVA provides vital information, verified by independent auditors, about DoD's ME. It enables senior leaders to make better investment decisions to support our warfighters and to defend those decisions to Congress and the taxpayer. DoD is also adopting best practices and tools used in private industry to provide decision makers with reliable information upon which to base critical acquisition and investment choices.

Timeline Diagram

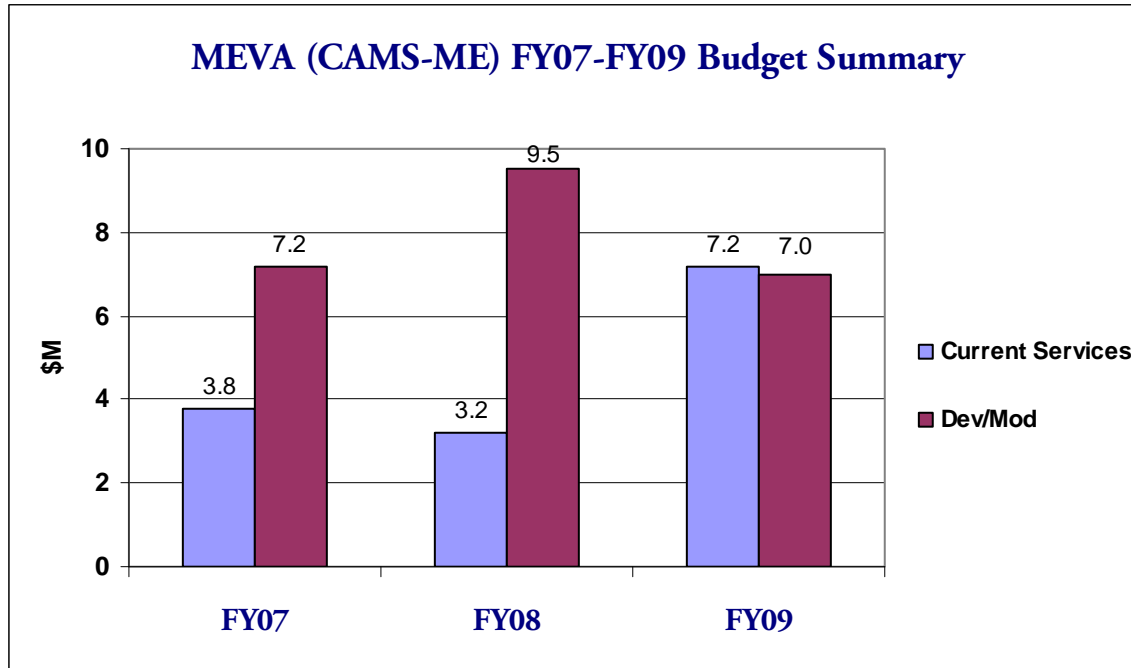


Initiatives Do Not Include Legacy Migrations



Military Equipment Valuation and Accountability (MEVA)

MEVA FY07-FY09 Budget Summary and Details



Near-Term Plans:

- OUSD (AT&L) is developing policy on Full Cost and Modifications for Military Equipment Valuation to reflect new guidance that is expected to be promulgated by the Federal Accounting Standards Advisory Board (FASAB) Accounting and Auditing Policy Committee (AAPC) in summer 2009. These policies will help provide guidance and direction to the Department in complying with the Statement of Federal Financial Accounting Standards (SFFAS) No. 6 "ACCOUNTING FOR PROPERTY, PLANT and EQUIPMENT."



Fully Implemented Program

Defense Acquisition Management Information Retrieval (DAMIR)

Description

DAMIR is a DoD initiative to provide enterprise visibility to Acquisition program information. The primary goal of DAMIR is to streamline acquisition management and oversight by leveraging the capabilities of a net-centric environment. DAMIR provides a unified web-based interface through which to present information to manage Major Defense Acquisition Programs (MDAP) and Major Automated Information Systems (MAIS) programs. DAMIR enables the Office of the Secretary of Defense (OSD), Military Services, Congress and other participating communities to access information relevant to their missions regardless of the agency or where the data resides. DAMIR's components replace the legacy Consolidated Acquisition Reporting System (CARS).

Approach

The DAMIR was implemented using a spiral development approach. The following planned capabilities were completed as of January 2008: (1) Electronic delivery of Unclassified Selected Acquisition Report (SAR) data to Congress; (2) Electronic access to the Defense Acquisition Executive Summary (DAES) assessments, which provides the capability to review and assess MDAP and MAIS program activity through a "stoplight" dashboard type approach; (3) Web Services to allow data exchange with the Army, Navy and Air Force Acquisition Information Management Systems and; (4) SAR and Acquisition Program Baseline (APB) Web applications that allow Defense Agencies and Services to input SAR and APB information. These accomplishments were prerequisites to DAMIR achieving Full Operating Capability (FOC) in April 2008 and retiring the CARS legacy system in May 2008.

Benefits

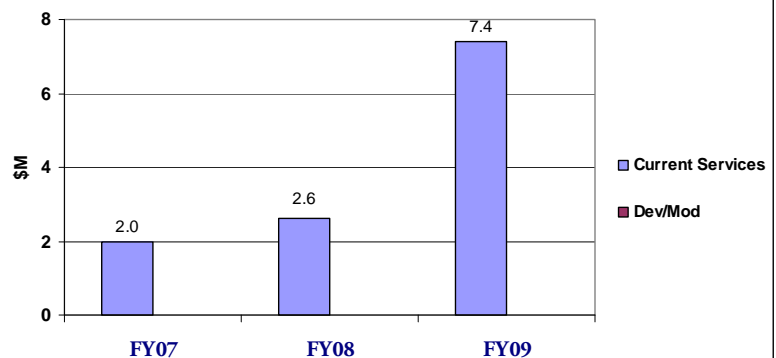
- Congressional and OSD decision-maker visibility to Defense acquisition programs and status information electronically, on their desktops.
- Elimination of the need for duplicate data entry.
- Ability to share information that is accurate, relevant, consistent and accessible in near real-time.
- Continuity and availability of the same data that program managers use to manage their programs on a daily basis.
- Responsiveness to evolving management and oversight information needs.
- Reduction of acquisition and management oversight workloads at all levels.

Accomplishments/Capabilities Delivered

- DAMIR FOC provided a unified, web-based interface for OSD, Services and other selected entities to access the various data sources the Defense Acquisition community uses to manage MDAP and MAIS programs.
- Retirement of legacy CARS, June 2008.

Budget

DAMIR FY07-FY09 Budget Summary



- No Dev/Mod funding in FY07-FY09.



Cross-BEP and Component Integration

Defense acquisition business processes support a highly diverse business community that is cross-cutting and interspersed among all DoD Business Enterprise Priorities. As a result, Defense acquisition data transparency and business process improvements will be fully realized in coordination with other parts of the organization and through data provided by each Component. To this end, representatives of AV, Material Visibility (MV), Common Supplier Engagement (CSE) and Real Property Accountability (RPA) will continue coordination to identify data commonalities, which are and will continue to be, documented in the Business Enterprise Architecture (BEA).

The AV SOA demonstration brought 61 data elements under WSLM governance. WSLM made these data elements available to the Supply Chain Management (SCM) Data Standards group for use in their effort to standardize data concepts across acquisition, logistics and financial Domains, where data format, business rules and definitions are disparate. The AV SOA demonstration, with its associated data was a key data initiative included in the team's analysis. The WSLM governance will continue to work with the SCM Data Standards Group regarding future WSLM approved AV SOA defense acquisition data elements for coordination and mitigation with other communities as appropriate.

Participation of the Components has been a critical factor in the continuing success of AV SOA effort. In the pilot phase, similar to the demonstration phase, the governance structure, which includes Component representatives, approved the definitions associated with 140 data elements used for Defense acquisition management and oversight. They assigned institutional responsibility for maintenance of the authoritative version of each data element within their systems and made those data elements available to be accessed via a SOA infrastructure. These same functions will continue as the SOA effort moves into the implementation phase and incorporates additional facets of the weapons system lifecycle and diverse aspects of the defense acquisition lifecycle.



Acquisition Visibility Dashboard

Acquisition Visibility (AV)

Acquisition Visibility (AV) is defined as achieving timely access to accurate, authoritative and reliable information supporting acquisition oversight, accountability and decision making throughout the Department for effective and efficient delivery of warfighter capabilities.

Acquisition Visibility brings transparency to critical information supporting full lifecycle management of the Department's processes that deliver weapon systems and automated information systems. This goal fully supports the responsibilities, scope, objectives and business transformation requirements of the Weapon System Lifecycle Management (WSLM) Core Business Mission (CBM).

Objectives

- Provide governance and accountability for acquisition decision- making data
- Provide the framework for access to authoritative data for acquisition decision making
- Provide definitions and business rules to define authoritative data for acquisition decision making

Changes since the March 2008 Congressional Report

DAMIR reached full implementation status, establishing a web-based capability for collection and dissemination of Defense Acquisition information. This capability eliminated the need for manual data entry and allowed for the retirement of the legacy Consolidated Acquisition Reporting System (CARS) on May 1, 2008.

Systems & Initiatives

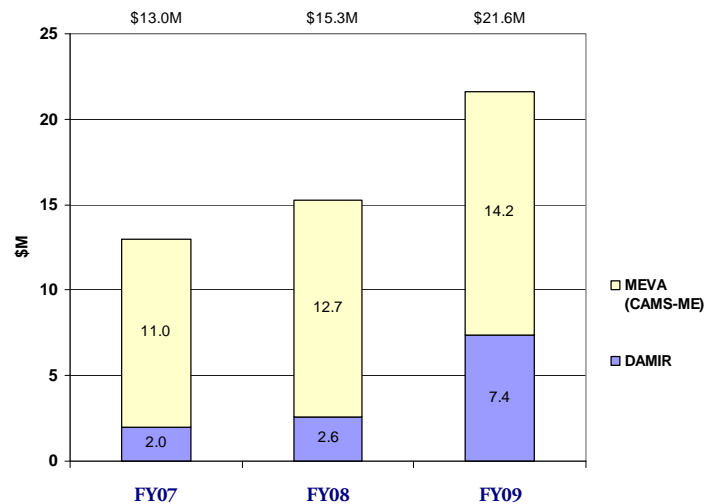
Transformational

Military Equipment Valuation and Accountability (MEVA){CAMS-ME}

Fully Implemented

Defense Acquisition Management Information Retrieval (DAMIR)

FY07-FY09 Budget Summary



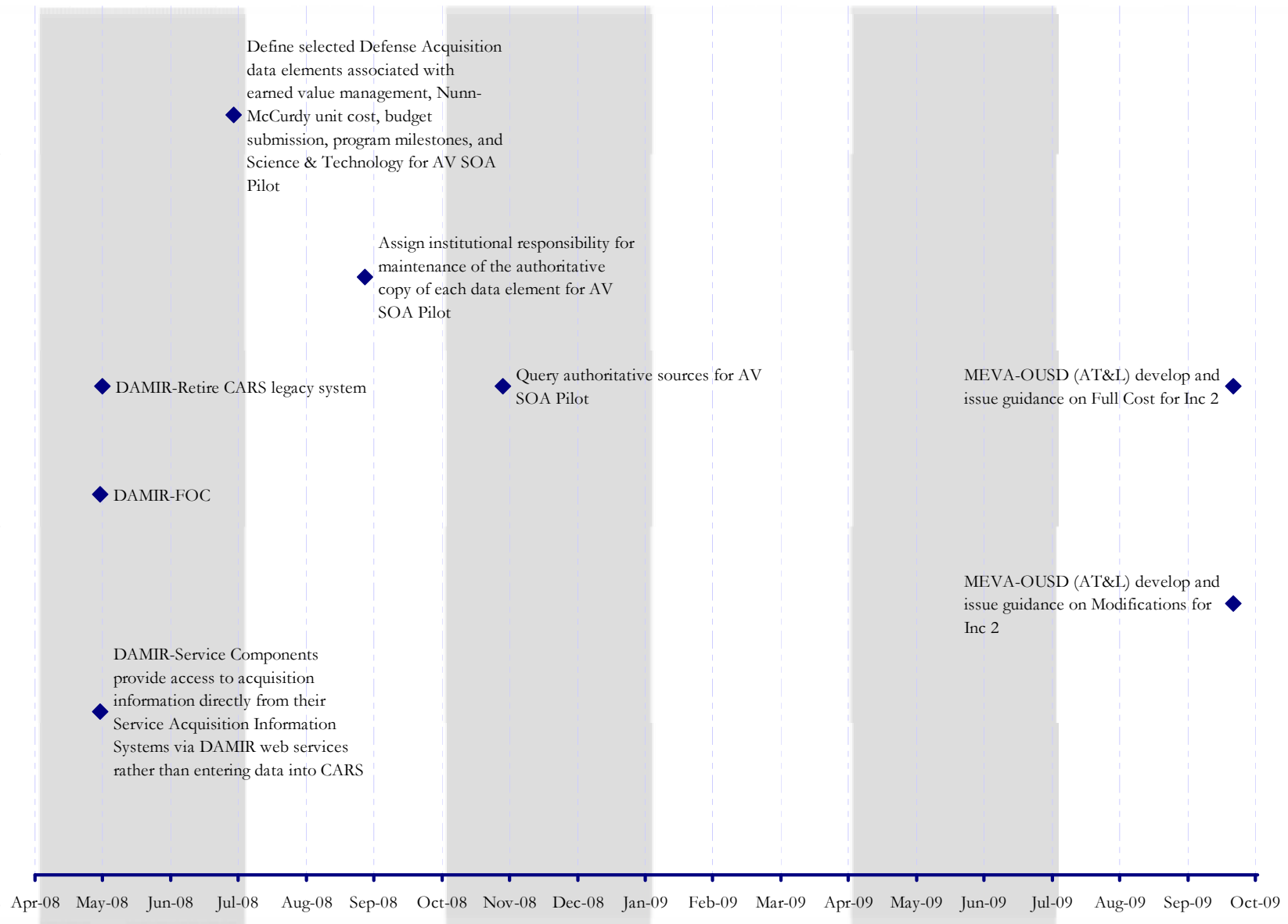
MEVA – Budget represents the CAMS-ME system costs associated with the MEVA initiative.

The DAMIR budget for FY09 is to expand the AV capability beyond the initial SAR/DAES effort to include program lifecycle, COTS tools for better analysis and ACAT II/III programs. As a result, it provides technical and maintenance support for approximately 2500 new DAMIR users. It also includes development activities to support integration with AV SOA.

The AV SOA effort is funded through AT&L/ARA and BTA, with Service participation in alignment with current job responsibilities.



AV Milestone Summary



Case in Point: AV SOA Demonstration

February 29, 2008 marked the start of change in the way DoD manages its defense acquisition data. On that day, as part of the Acquisition Visibility Service-oriented Architecture (SOA) Demonstration, three business tools were able to display authoritative data from 12 Major Defense Acquisition Programs (MDAPs), on demand, providing information for acquisition decision making on programs totaling approximately \$103B in total program value.

The AV SOA Demonstration marked the beginning of the effort to establish a capability to support acquisition decision making based on timely, authoritative information. The capability will include a recognized, durable institution for acquisition data governance, access to data from authoritative sources and the development of services in a technical infrastructure to access the information at will and to make it visible. As shown in the graphic below, the SOA approach separates the data and related services from the tools that display it, providing flexibility for Department decision makers to use the display tools they choose to view current, Weapon System Lifecycle Management (WSLM)-governed data elements from their authoritative sources on demand.

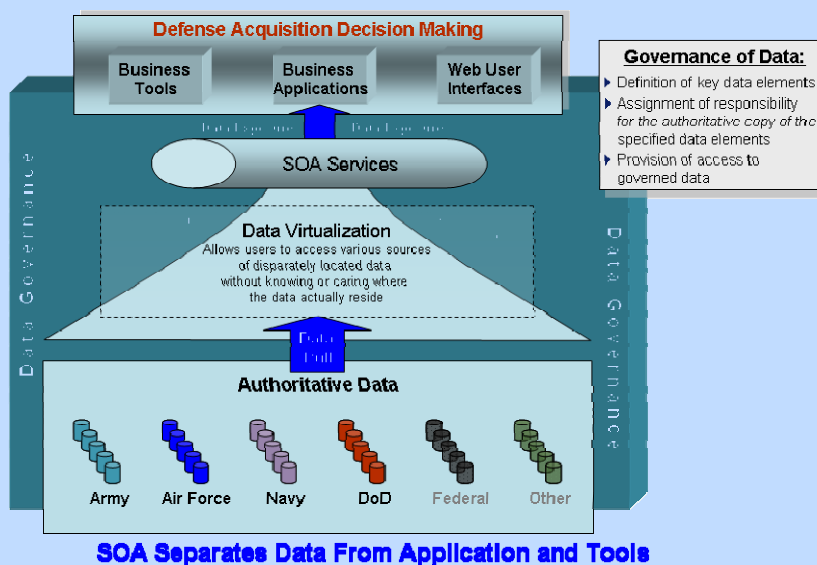


Figure 3-12: SOA Separates Data from Applications and Tools

For the demonstration, EVM and Unit Cost data for 12 MDAPs, four from each Service¹, was obtained from the authoritative source for each data element in real-time. To further prove the flexibility of this new data management model, the Air Force changed one of their authoritative data elements at the program management source for the B2-EHF program, business tool displays were refreshed and the revised program data element was properly reflected in each display—available for use by the Department in less than a minute.

SOA is not just an architectural style of services seen from a technology perspective, but most importantly, it is the policies, practices and business processes through which governance ensures the right information is provided and consumed. SOA, which is widely used in the commercial sector, separates data governance from the tools that use the data, thus making authoritative data immediately available to users. The successful demonstration of both data governance and technical capability offers the Department the opportunity to fundamentally change for the better the Department's ability to make informed Acquisition decisions based

¹Programs the Services selected for the Demo: Air Force—B-2 EHF, JDAM, MP RTPI and Minuteman III PRP. Army—Black Hawk Upgrade, EXCALIBUR, FBCB2, GMLRS. Navy—DDG 1000, EA-18G, MUOS, SM-6.



on timely and authoritative information. Decision makers will be able to check the health of programs at any time, from their desktops, rather than waiting months for burdensome data calls to be addressed. The availability of reliable information through services will reduce the Services' reporting burden and will improve program management and oversight efficiencies.

USD (AT&L) officially initiated this effort with its memorandum, dated October 5, 2007, mandating a SOA Demonstration Project. The team established the foundational data governance and management concepts and methodologies to be employed and established the SOA middleware framework and SOA infrastructure required for the demonstration. The tools used included a combination of data federation and web service orchestration tools to accommodate the various types of sources—both web services and databases—the Air Force, Army and Navy designated as their authoritative sources. The technical demonstration was completed with commercial software and corresponding development tools.

Demonstration activities indicated that work remains to mature governance processes and data management processes. Due to the limited nature and speed of the demonstration, it may be anticipated that data definitions for other data elements not included in the demonstration may be more complex to adjudicate. The WSLM Core Business Mission (CBM) governance structure, which is the logical framework through which to manage acquisition data governance, definition and access, was officially chartered in September 2008 (the WSLM Senior Steering Group has been meeting since October 2007).

As a continuation of the successful demonstration of the capability in December 2007, the Under Secretary of Defense (AT&L) issued a memorandum, dated July 25, 2008, directing the implementation of SOA within the DoD acquisition community. Under this direction, a two-phased SOA Pilot project is ongoing. Phase 1 is being conducted from April 2008 through the Fall of 2008 to solidify how WSLM governance supports SOA implementation and to develop services within the SOA framework that support the data categories of EVM, Nunn-McCurdy Unit Cost Monitoring, Budget Submission, Milestone Tracking and Science and Technology decision making. The programs included in the AV SOA Phase 1 Pilot total approximately 75% of the MDAP FYDP value, approximately \$1.2T. Phase 2, performed concurrently with Phase 1, involves the development of an initial operating capability for a Department-wide SOA infrastructure compliant with pertinent DoD information technology standards. This phase will include full competitive source selection of technical products or solutions.



Common Supplier Engagement Definition and Goal

Common Supplier Engagement (CSE) is the alignment and integration of the policies, processes, data, technology and people to provide a consistent experience for suppliers and Department of Defense (DoD) stakeholders to ensure reliable and accurate delivery of acceptable goods and services to support the warfighter.

The primary goal of CSE is to simplify and standardize the methods that DoD uses to interact with commercial and government suppliers in the acquisition of catalog, stock, as well as made-to-order and engineer-to-order goods and services. CSE also provides the associated visibility of supplier-related information to the Warfighting and Business Mission Areas.

Strategy for Common Supplier Engagement

A key element of the CSE strategy is the Defense Sourcing Portfolio (DSP). The DSP is a combination of system solutions, processes and business rules designed to provide a framework for achieving CSE objectives. The DSP Steering Committee has led the way for employing a standard methodology to evaluate requirements, which ensures that requirements supporting enterprise goals are given priority over Component specific requirements. In addition, the DSP addresses the identified need to transform the Department's business operations sourcing environment (including the requirements, sourcing, receipt/acceptance and payment capabilities) by viewing the enterprise environment as a portfolio of capabilities.

Approaching CSE capabilities as a portfolio, the Department has begun to undertake several non-system related efforts to improve the process related to data quality and standardization used across the Department and industry partners for sourcing execution and supplier management. The Department is developing a Procurement Data Strategy to promote data standardization, enable business intelligence, ensure compliance with authoritative data sources and allow for independent validation and verification of data. The Department is also working to streamline financial data in procurement. This effort will help eliminate unmatched disbursements, enable traceability of requirements from purchase request to purchase order, all the way to invoice payment. It will also minimize the amount of financial information needed to process contract and vendor documents. This approach will be done in phases accommodating both legacy and interim environments, with the end state achieving demand traceability throughout the procure-to-pay process, with no need to pass line of accounting information end-to-end.

In addition, the CSE functional community is supporting the DoD Task Force on Contracting and Contract Management in Expeditionary Operations (in-theater) in its efforts to establish the necessary contract management capabilities needed to increase the productivity in an expeditionary contracting environment. This effort includes developing a situational toolkit, which defines and manages the target contingency capabilities, solicitation, contract award and contract administration, across the four phases of the expeditionary contracting process. Those phases are identified as Mobilization/Initial Deployment (Presidential/Congressional declared contingency); Build Up (movement into theater/Reception, Staging, Onward movement and Integration (RSOI)); Sustainment (cessation of hostilities—security situation stabilizes); Termination/Redeployment (transfer of authority to host nation/local government).

CSE

OBJECTIVES

- Streamline and reduce complexities of the process touch points between DoD and suppliers
- Adopt standard business processes, rules, data and interoperable systems across DoD to ensure reliable and accurate delivery of acceptable goods and services

Programs and Activities Enabling CSE:

- DoD EMALL
- EDA
- SPS
- WAWF
- CCR
- eSRS
- FBO
- FedReg
- FPDS-NG
- PPIRS
- JCCS
- SPOT
- In-Theater Procure-to-Pay
- Procurement Data Standards



Many of the capabilities that help achieve CSE goals and objectives are already federal-wide shared services as part of the Federal eGov Integrated Acquisition Environment (IAE) initiative. Additionally, DoD has several Department-wide capabilities that support and complement the end-to-end process as depicted in the Business Enterprise Architecture (BEA).

Business Capabilities and Program Mapping

Business capabilities define the future capabilities necessary to support the warfighter and direct the Department's business systems modernization efforts toward acquiring those capabilities. Business capabilities are common throughout the Department's business enterprise. Development of these capabilities leads to the implementation of enterprise-wide systems that provide greater visibility to decision makers at the highest levels in DoD. The following table displays the business capabilities that each of the CSE programs will deliver based on their mappings to Version 5.0 of the BEA.

Business capabilities define the future capabilities necessary to support the warfighter and direct the Department's business systems modernization efforts toward acquiring those capabilities.

Business Capabilities	DoD EMALL	EDA	CCR	eSRS	FBO	Fed Reg	FPDS -NG	PPIRS	JCCS	SPOT	SPS	WAWF
Manage Request	•		•		•	•	•	•	•		•	
Manage Sourcing	•	•	•	•	•	•	•	•	•	•	•	•
Manage Receipt and Acceptance	•	•	•			•						•
Manage Payment												•

This table shows the relationship between Business Capabilities and the improvements that have been enabled by CSE programs

Business Capability Improvements
Capability: Manage Request
Identifying the data collection processes necessary to make consolidated enterprise spend analysis data available for Department strategic sourcing decisions in order to be able to capture information at the request stage.
Identifying the data collection processes necessary for demand traceability in Military Equipment Valuation (MEV) and Personnel Property Accountability in order to be able to capture the information at the request stage.
Establishing data visibility to the purchase request level and allowing customers to identify data associated with outstanding requests.
Improving the ability to track purchase requests and provide information to acquisition decision makers.



Business Capability Improvements

Capability: Manage Sourcing

Establishing standard contract and modification data aggregation and associated processes to improve visibility for acquisition decision makers in order to be able to analyze the spend.

Establishing a process to identify award and incentive fees awarded to suppliers in order to improve visibility to acquisition decision makers for performance decisions.

Improving the standard method for reporting commercial supplier agreement data to Congress and to the public.

Improving the authoritative source for collection of commercial supplier data in order to limit the number of systems and formats with which DoD's supplier base has to interact.

Enhancing the standard method of identifying business opportunities and distributing related information to commercial suppliers in order to limit the number of systems and formats with which DoD's supplier base has to interact.

Enhancing the authoritative source for collection of commercial supplier representation/ certification information in order to limit the number of systems and formats with which DoD's supplier base has to interact.

Deploying the authoritative source for commercial supplier submission of subcontract reports in order to replace the manual paper submission DoD's supplier base must currently perform.

Reducing unmatched disbursements and improving the accuracy of data by pre-populating invoice and receiving reports, which reduces the need to re-key.

Establishing Joint Enterprise contractor management and accountability while providing a central source of contingency contractor information and a summary of contract services.

Enhancing the authoritative source for collection and retrieval of commercial supplier performance data.

Capability: Manage Receipt and Acceptance

Developing a standard method for commercial suppliers to 1) submit shipment notices and 2) to allow combatant command visibility into the location and value of deployed assets through the collection of radio frequency identification and item-unique identification data.

Establishing standard receipt and acceptance data aggregation and associated processes.

Establishing standard contract and modification data aggregation and associated processes.

Improving inefficiencies due to non-standardized methods for submitting shipment notices (e.g. - interest penalties).

Capability: Manage Payment

Developing a standard method for commercial suppliers to submit invoices and receive payment.

Establishing standard invoicing data aggregation and associated processes.

Improving the inability to measure the implementation of standard processes.

Reducing individual Wide Area Workflow (WAWF) interfaces with entitlement systems from 20 to 1, improving issues with data visibility and identifying and eliminating materiel weakness in target Enterprise Resource Planning (ERP) environment.



Business Capability Metrics

Metric: Manage Sourcing

A key enabler for the Department's business transformation effort is the ability to manage sourcing. The business capability of manage sourcing requires the ability to establish a sourcing vehicle with government sources, conduct a solicitation, establish a sourcing vehicle with commercial sources, execute the contract, administer the contract through closeout and monitor and improve processes. To achieve this, the Department first needs the ability to aggregate unclassified contract and modification action data at the DoD level, which is reflected in Figure 3-13.

Progressing beyond static paper and Portable Document File (PDF) formats, contracts are beginning to be serialized by Extensible Markup Language (XML). When unclassified contracts and modifications are captured in the XML format, the DoD gains the ability to dynamically track and aggregate detailed standard contract data. Increased visibility of contract and modification actions will enable decision makers to shape acquisition and procurement strategies to best support the delivery of appropriate goods and services to the warfighter. This metric will be tracked quarterly and reviewed by the Defense Sourcing Portfolio Boards.

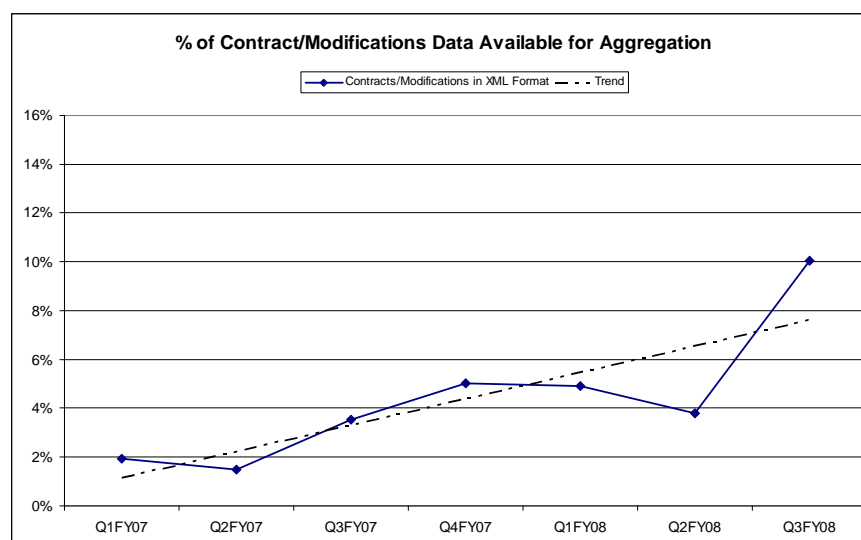


Figure 3-13: Percentage of Contracts/Modifications Data Available for Aggregation

Initial progress was made as a result of the Electronic Document Access (EDA) Contracts to Data initiative and currently a small percentage of contracts and modifications are available as XML data with a small positive upward trend. This metric is expected to significantly increase in FY09 as the Department gains traceability of requirements through the maturing use of the Procurement Data Standards and the Financial Data in Procurement.

Metric: Manage Receipt and Acceptance

Another key enabler for the Department's business transformation effort is the capability to manage receipt and acceptance, which requires the ability to receive goods and services and accept goods and services. To effectively achieve this, the Department needs to streamline and simplify processes for managing receipt and acceptance by migrating to a standard authoritative electronic source to receive payment requests. This dramatically reduces the cost to the military to perform these activities and improves efficiency, which will enable the Department to redirect the resources used to perform these activities to military operations.

The following graph displays the percentage of payment requests submitted to the Defense Finance and Accounting Service (DFAS) through an authorized electronic invoicing system vice other methods. This metric will be tracked quarterly and reviewed by the Defense Sourcing Portfolio Boards.



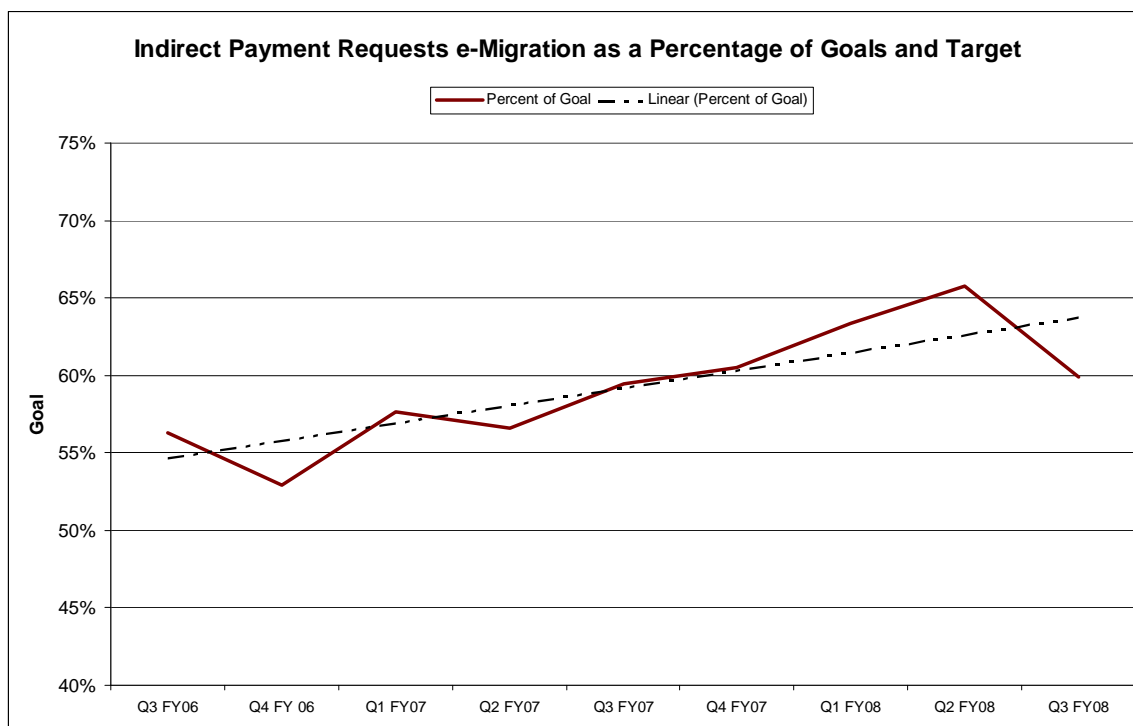


Figure 3-14: Indirect Payment Requests eMigration

Although the Department did not meet the original target of 75% of submitted payment requests paid electronically, a consistent positive upward trend has been demonstrated over time. The decrease in Q3 FY08 to 56.9% is due to a significant increase in the number of payment requests submitted in a non-deployed site. The Department is taking a number of actions to further support the achievement of this goal, such as policy updates and leveraging the Investment Review Board (IRB) process.

A recent update to the Defense Federal Acquisition Regulation Supplement (DFARS) reduced the list of accepted electronic forms for submission of payment requests and receiving reports and named WAWF as the Department's sole enterprise solution as of March 3, 2008. In response to this the Services will now be accountable to provide a status update of WAWF deployment progress to the Deputy Under Secretary of Defense (Acquisition and Technology).

The transition to electronic payment requests is also being reinforced by the IRB "Receipt and Acceptance" condition which requires systems to submit a compliance plan for using WAWF to interface with vendors for electronic payments and receiving reports.



Metric: Manage Receipt and Acceptance

Submitting paper contracts has unnecessarily resulted in massive interest penalties due to late payments. Figure 3-15 displays the savings per quarter realized because payment requests were paid on-time in accordance with contract terms.

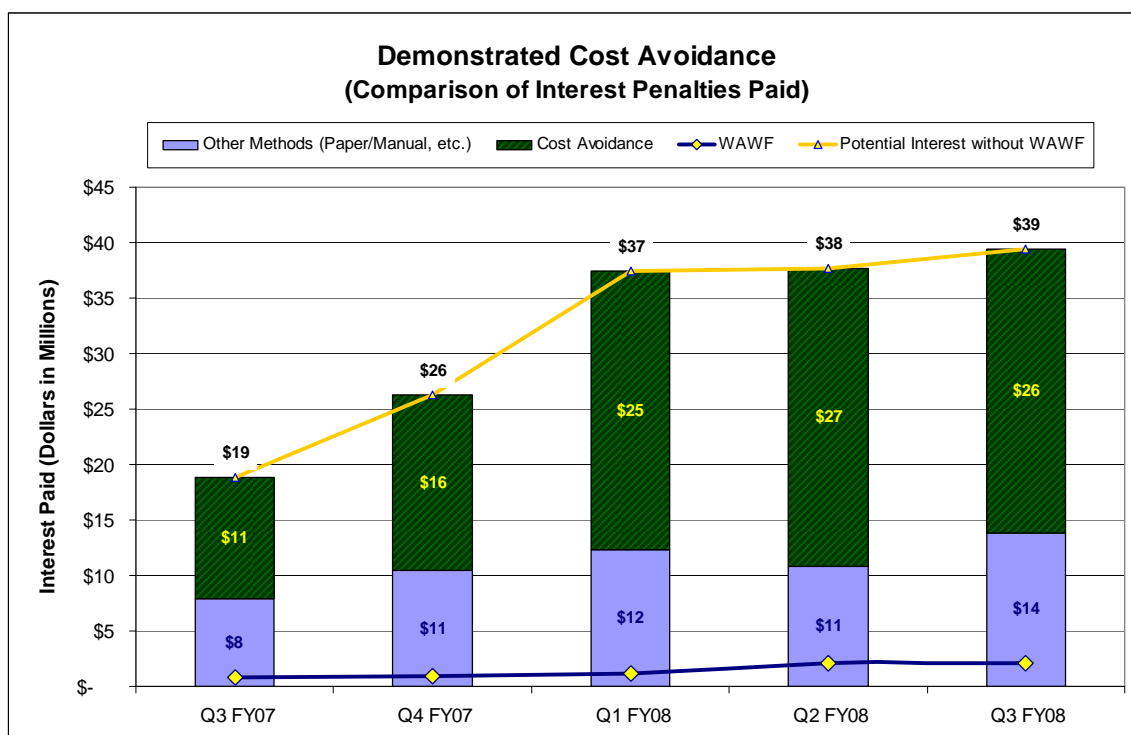


Figure 3-15: WAWF Usage Avoids Cost through Lower Interest Payments

The proportion of interest paid on invoices using WAWF, vice other processes was significantly lower. By reducing the cycle time to process invoices and receiving reports, WAWF decreased the interest penalties paid to vendors when payments were not made on-time in accordance with contract terms. As a result, the Department was able to realize a significant cost avoidance of \$105M (sum of Q3 FY07 through Q3 FY08). Figure 3-15 depicts the significantly lower interest penalties paid on invoice dollars processed through WAWF compared to the interest paid on invoices paid via other methods.

Transformational Activities

In-Theater Procure-to-Pay: The Department is developing business toolkits to improve the procure-to-pay process in low bandwidth and austere environments where U.S. Forces are conducting operations. Enhancing contract writing, contract administration and payment processes will allow for more timely and accurate financial reporting for contracting operations in posts, camps and stations operating within contingency environments.

Near-Term Plans:

- Implement new and enhanced business intelligence capabilities in Q1 FY09 based on Standard Procurement System (SPS) implementation. These capabilities will enhance DoD decision makers' access to timely and accurate financial management information.
- Install initial contract writing portion of the procure-to-pay process pilots in Iraq, Afghanistan and Kuwait during Q1 FY09, creating better alignment with the Continental United States based enterprise process.



Procurement Data Standards: The establishment and enforcement of clear enterprise-wide data standards is establishing needed improvements in data accuracy and visibility through a system-agnostic data model using common language and business rules. The Procurement Data Standards (PDS) will make the automation of processing of acquisitions seamless throughout the Department for all types of contract data output.

Accomplishments/Capabilities Delivered:

- Published Version 1.0 of the PDS, in Q3 FY08, to cover basic contract award structure and worked with Components in Q4 FY08 to identify gaps between the PDS and current capabilities.
- Held a public meeting with industry contract writing and ERP system providers in Q4 FY08 to identify potential gaps between current capabilities and the PDS.

Near-Term Plans:

- Initiate implementation of data from key contract writing systems using PDS by Q2 FY09.
- Complete and publish Phase 2 of the PDS, by Q2 FY09, which will cover contract modifications and expand the data available within clauses and provisions.



Common Supplier Engagement Programs

DoD Electronic Mall (DoD EMALL)

Description

DoD EMALL provides the entry point for DoD, federal, industry (as agents for government) and Allied nation purchasers to research and acquire off-the-shelf, finished goods and services from the commercial marketplace and government sources. DoD EMALL provides an advanced, web-based government e-procurement application while enabling a Common Supplier Engagement model.

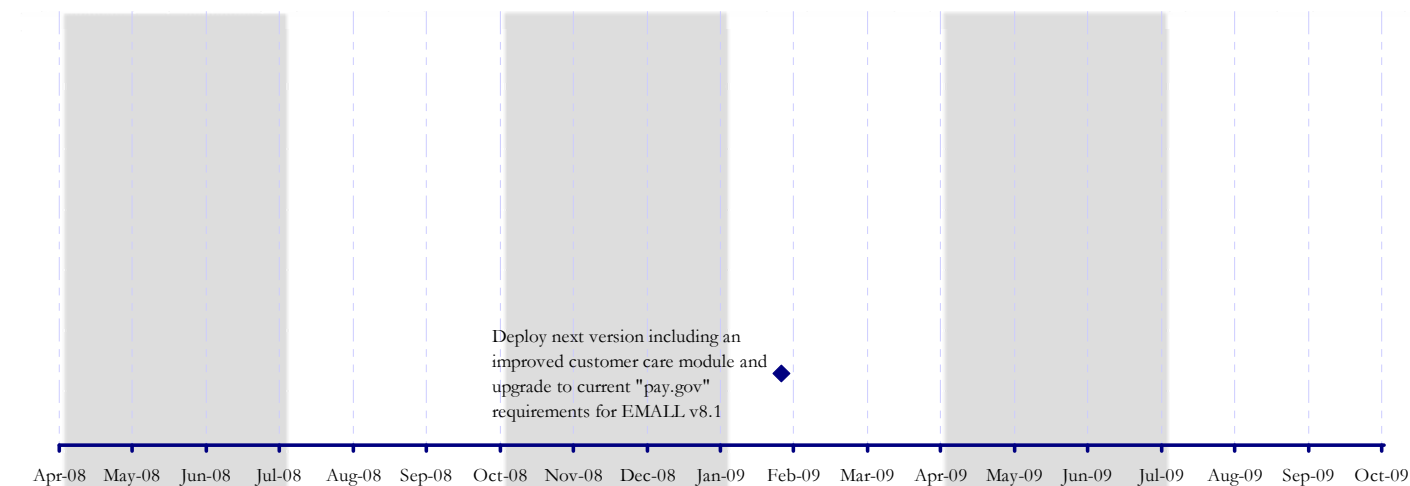
Approach

DoD EMALL currently functions similar to a business to consumer (B2C) marketplace. To successfully integrate with the ERP (Enterprise Resource Planning) environment, EMALL will need to mature to a business to business (B2B) model. The B2C model presents a web-based front-end for purchasers, whereas the B2B model would use the ERP as the front-end for the purchaser. This would allow a high level of inter-operability between the ERP and the B2B marketplace. The migration to the proposed model will occur in phases. The initial phase will consist of a strategy to determine the most efficient alignment of EMALL with the Component ERP systems.

Benefits

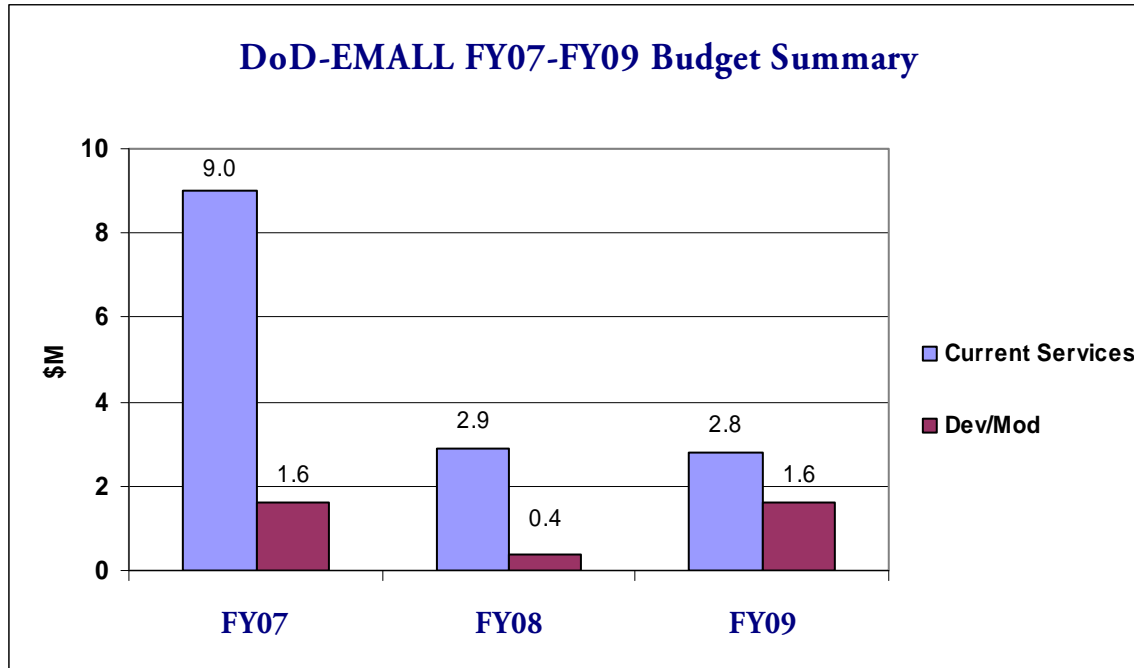
- Provides DoD a common solution for ordering goods and services using existing sourcing vehicles via the web
- Enables enforcement of organizational purchasing mandates
- Provides ability to leverage purchasing power across agencies and accrue volume discounts from suppliers
- Streamlines transaction process through self-service web-based ordering thereby reducing costs

Timeline Diagram



Legacy System	Term Date
WEBCATS	Nov-07



DoD Electronic Mall (DoD EMALL)**DoD EMALL FY07-FY09 Budget Summary and Details****Accomplishments/Capabilities Delivered:**

- Implemented Foreign Military Sales (FMS) use of DoD EMALL in Q2 FY08 to allow the warfighter to make purchases, track the status of shipments and keep in contact with vendors. This development further enables financial accountability across DoD.

Near-Term Plans:

- Deploy version 8.1 in Q2 FY09 to provide an improved customer module, which streamlines the processes for users to track status of shipments and interact with providers.
- Improve efficiency of DoD procurement by consolidating e-Commerce ordering sites, adding a Customer Care Module and improving credit card handling in Q2 FY09.



DoD Electronic Mall (DoD EMALL)

System Metrics

DoD EMALL Content

DoD EMALL content describes the total number of items and the total number of catalogs available on the site. This metric will indicate the content growth of the site as DoD and federal users request the addition of content. The warfighter is offered more selections of items to meet their requirements and mission. As more items are added the wider the spectrum of user requirements that can be satisfied. This will increase EMALL's capability to integrate with other Component ERP systems.

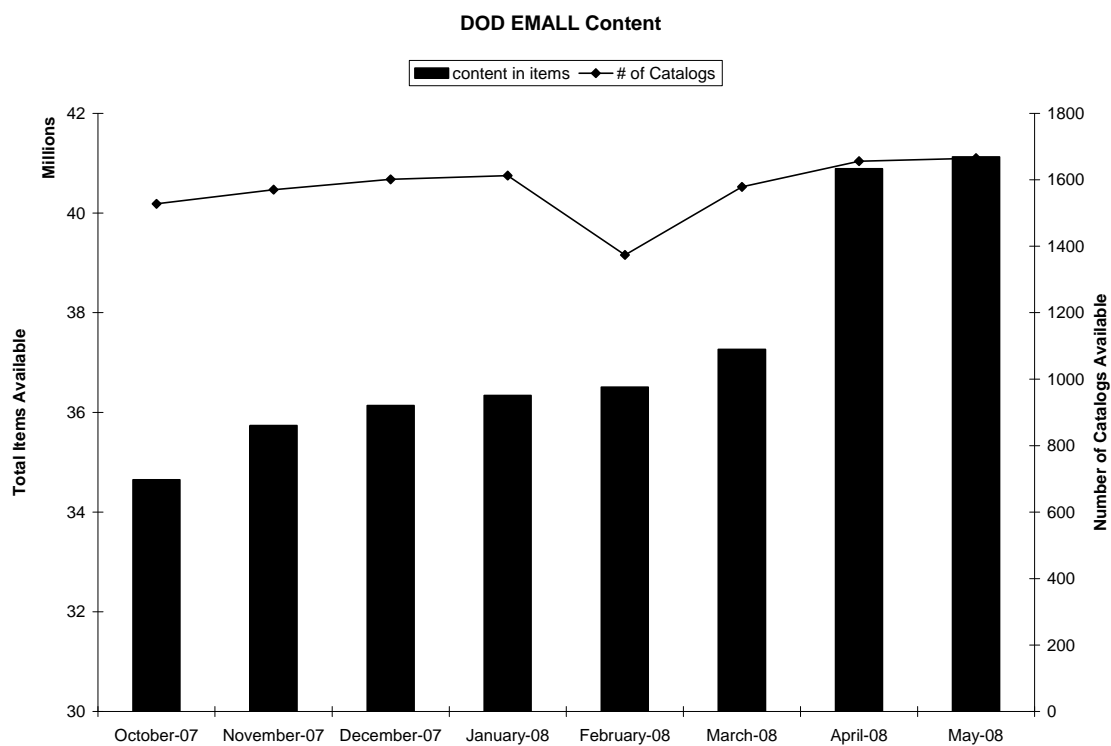


Figure 3-16: DoD EMALL Content



Electronic Document Access (EDA)**Description**

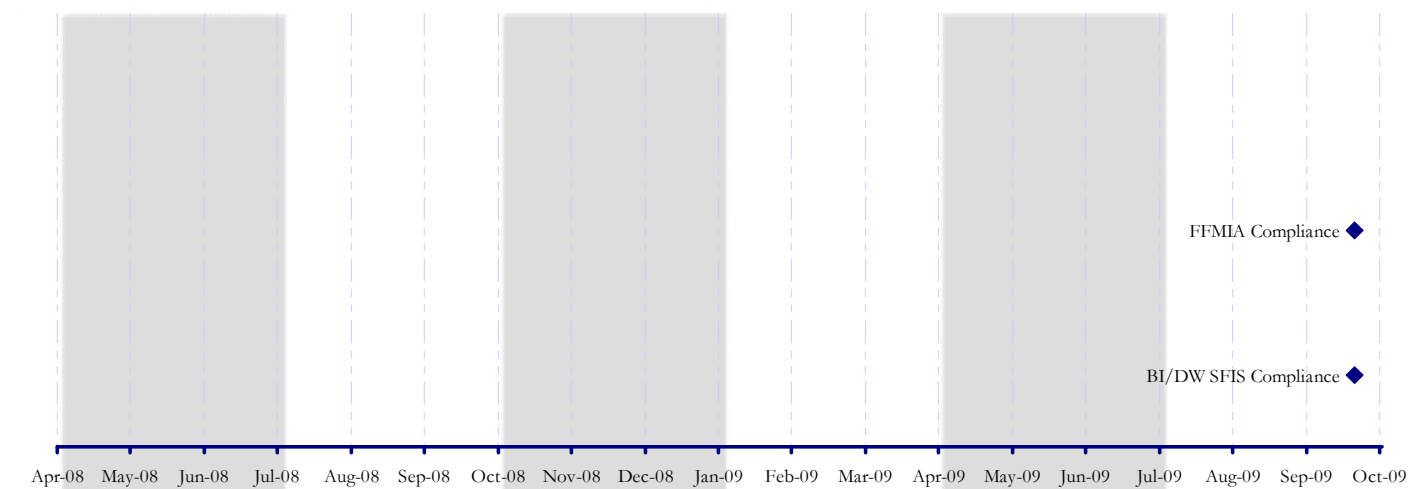
EDA provides secure online, electronic storage and retrieval capabilities of procurement information and documents across DoD.

Approach

- Increase data processing in EDA by capturing data from additional contract writing systems using the Procurement Data Standards (PDS) (Phase I).
- Explore expansion of search capabilities to support business intelligence and Independent Verification and Validation (IV&V) across more data elements than current EDA index fields.
- Enhancing the current Contract Deficiency Reporting (CDR) workflow through increased query and reporting capabilities.

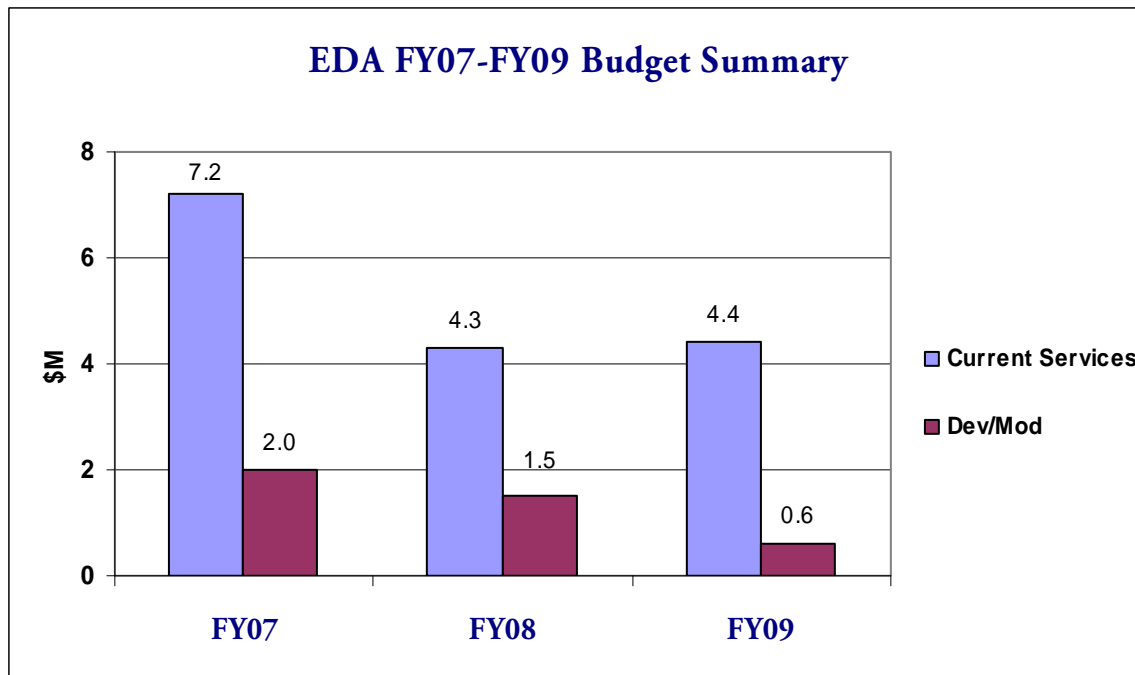
Benefits

- Provides increased availability of contracts and contract-related documents to DoD and suppliers through web access, resulting in more efficient vendor payment.
- Increases accuracy of receipt, acceptance and payment by sending warehoused Standard Procurement System (SPS) data to Wide Area Workflow (WAWF).
- Establishes and enforces internal controls for interoperability and financial accountability.

Timeline Diagram**Legacy System Term Date**

NAFI Apr-06



Electronic Document Access (EDA)**EDA FY07-FY09 Budget Summary and Details**

Development/Modernization funding is sufficient to achieve the program's near term plans. This funding is used to support all aspects of testing for the program's various releases and quarterly patch upgrades.

Near-Term Plans:

- Implement Standard Financial Information Structure (SFIS) in Q4 FY09 to improve data standards and data integrity.



Standard Procurement System (SPS)**Description**

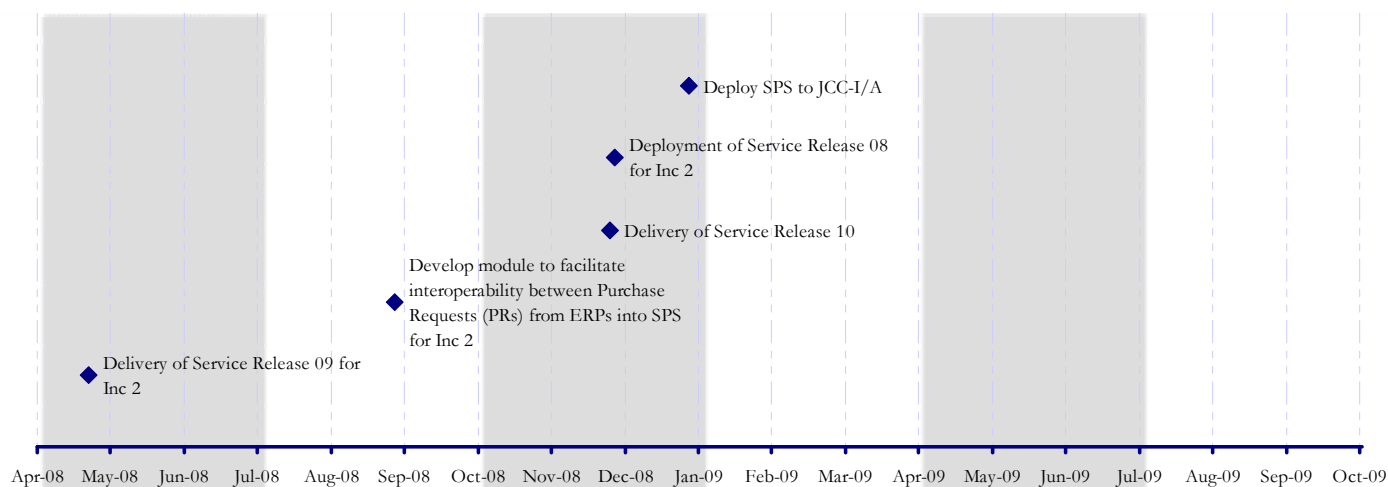
SPS provides the interim contract writing and management capabilities and is a key enabler providing visibility into materiel and services sourcing actions of the Department. It allows for a standard method for producing agreements with suppliers.

Approach

Adopt standard transactions and data over time as defined in the procurement community and the Business Enterprise Architecture (BEA). The deployments and enhancements related to the entire SPS suite of products is planned for 2 service releases per year. All enhancements for each of the service releases are approved through the established Defense Sourcing Portfolio (DSP) Requirements Life Cycle Management Governance Process.

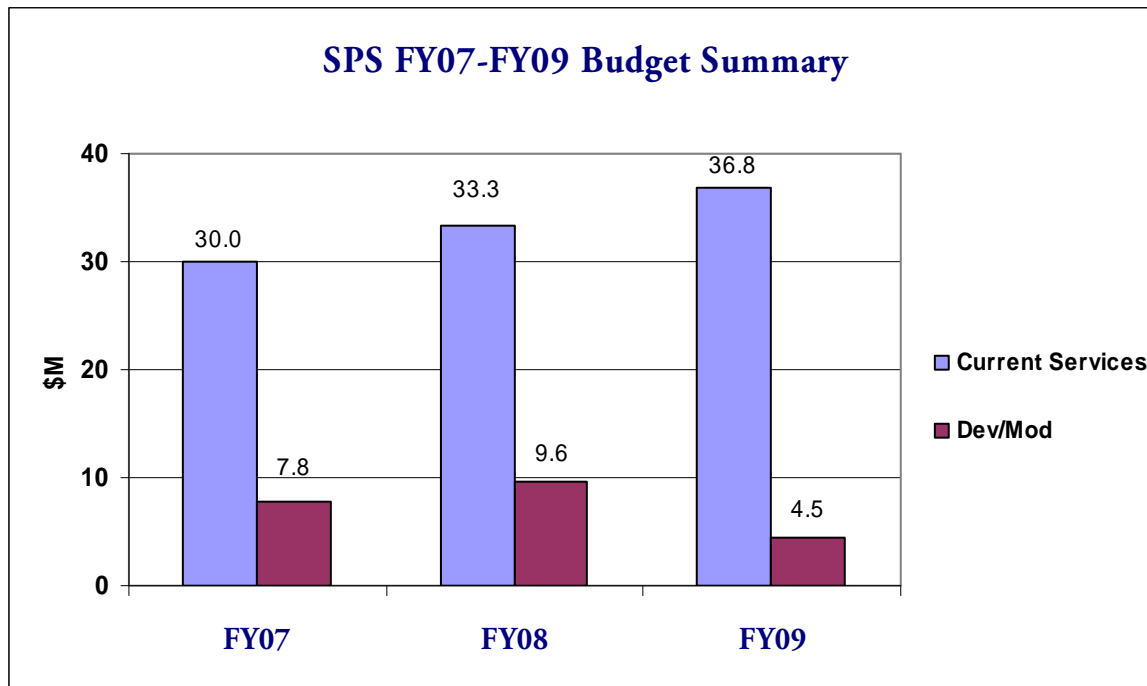
Benefits

- Provides DoD standard contract writing capabilities ensuring compliance with statutes and regulations
- Ensures legal and financial sufficiency of DoD sourcing practices
- Increases data integrity across DoD
- Provides more accurate contract information transfer throughout the supply chain

Timeline Diagram

No Legacy Systems Identified



Standard Procurement System (SPS)**SPS FY07-FY09 Budget Summary and Details****Accomplishments/Capabilities Delivered:**

- Completed software development effort for Service Release (SR) 09, delivered to the government for testing in Q3 FY08. SR 09 enhances Foreign Currency Exchange rate capabilities, Phase 1 of Archiving (which inherently improves database performance and records management) and provides a major upgrade to key operational third party software used by SPS.
- Developed a module to facilitate interoperability between Purchase Requests (PRs) from ERPs into SPS by Q3 FY08.

Near-Term Plans:

- Deployment of SPS to Joint Contracting Command Iraq – Afghanistan (JCC-I/A) by Q1 FY09. Initial implementation will provide JCC-I/A with an automated contract writing capability that is currently a manual process. To fully support the warfighter, the SPS Joint Program Management Office (JPMO) needs to provide this critical enhancement to meet the requirements in both Iraq and Afghanistan.
- Delivery of Service Release 10 in Q1 FY09. The major benefits of SR 10 in Q1 FY09 include Public Key Infrastructure (PKI) Analysis and Section 508 analysis. PKI ensures that an entity presenting identification credentials is exactly what that entity claims to be, whether a person, machine, or computer system. Furthermore, it will provide confidentiality and ensure that only intended or authorized recipients can view information.
- Fully deploy SR 08, which adds interfacing capabilities with Central Contracting Registration (CCR) to eliminate possibilities of keying in errors in the contracting process and addresses performance related and data integrity issues in Q1 FY09.



Standard Procurement System (SPS)

System Metrics

SPS FY08 (Q1 and Q2) Actions through SPS

The SPS JPMO tracks Contractual Actions completed using the SPS application, as well as, Dollars Obligated through the system for each of the Military Services/Defense Agencies. These metrics are reported to the SPS JPMO on a quarterly basis and allows for greater insight into the use of the system out in the field. The graphs below help illustrate the widespread use of SPS throughout the different Components and Agencies within DoD. These numbers represent DoD's commitment to using a standard application, which helps ensure reliable and accurate delivery of goods and services, thereby falling in line with the objectives of the CSE. Through Q2 FY08, 44% of actions through SPS were generated by the Army, 39% by the Navy, 12% by the Air Force and 5% by Other Defense Areas (ODA).

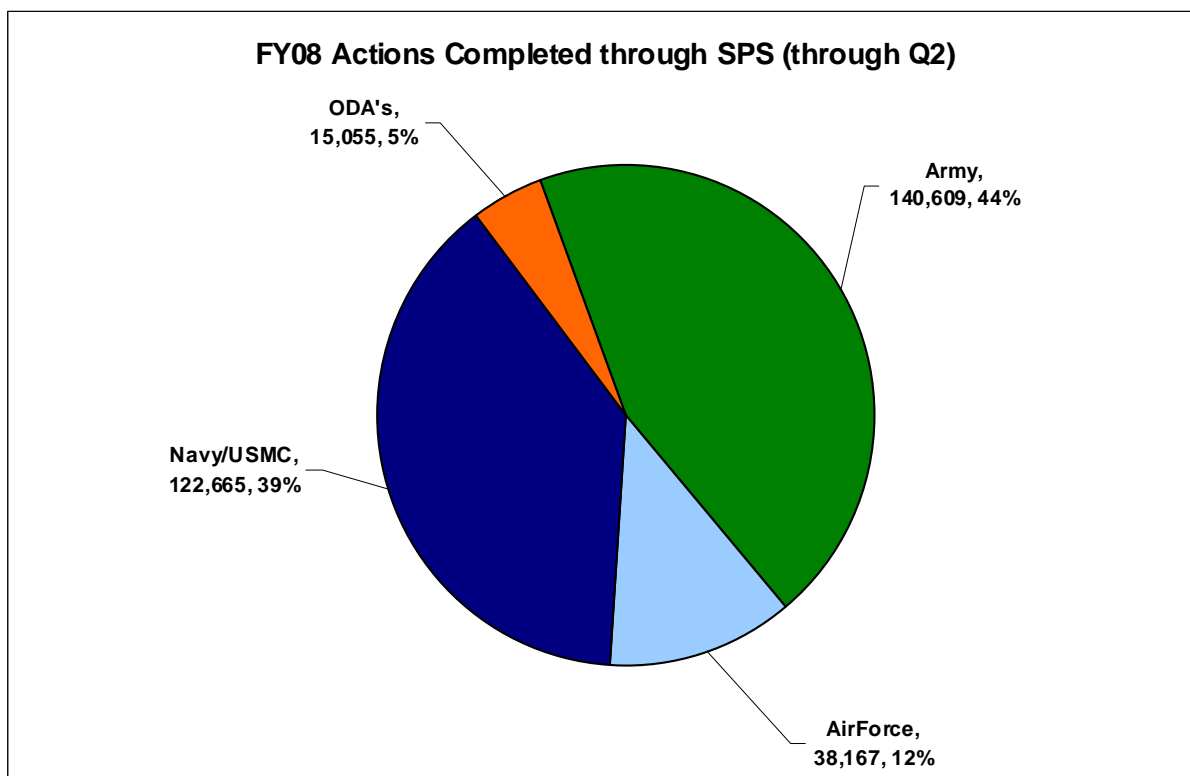


Figure 3-17: FY08 Actions through SPS (Q1 and Q2)



Standard Procurement System (SPS)

SPS FY08 (Q1 and Q2) Obligations through SPS

Through Q2 FY08, 34% of obligations through SPS were generated by the Army, 49% by the Navy, 6% by the Air Force and 11% by ODA. This totals \$76B obligated through SPS.

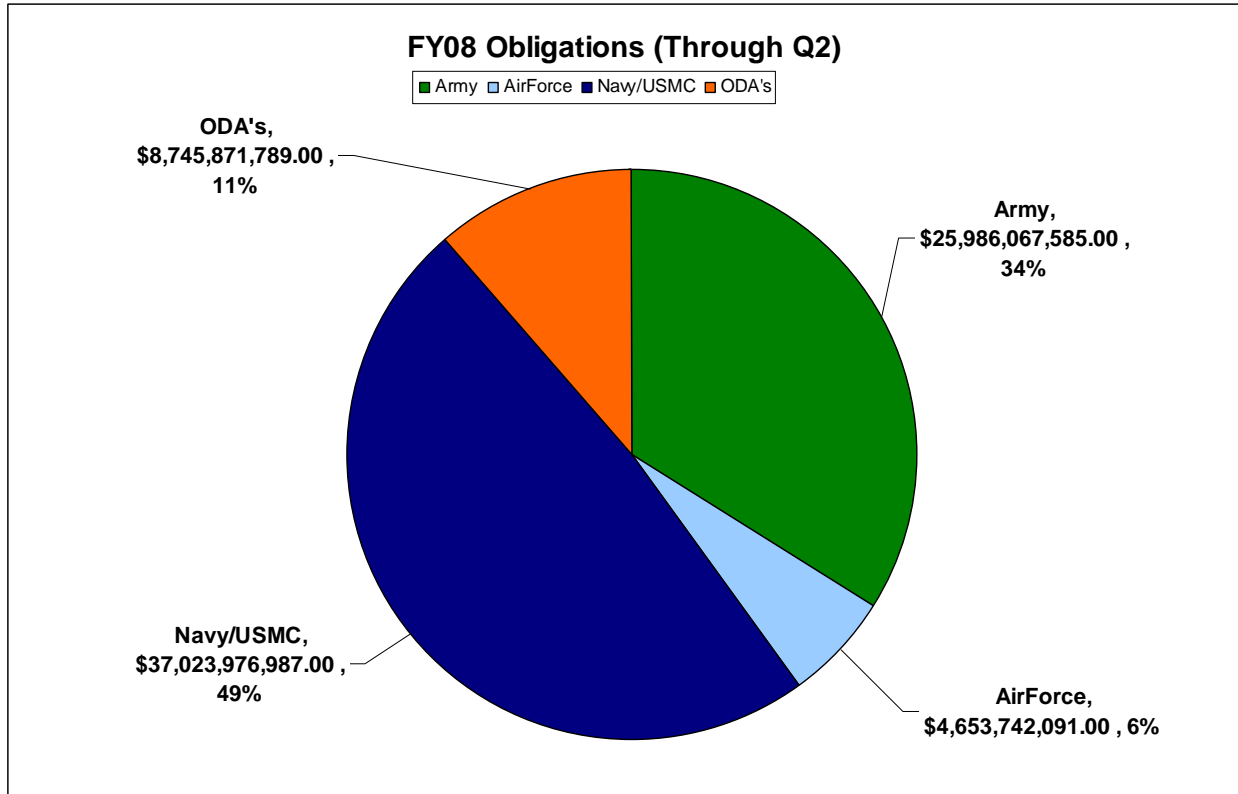


Figure 3-18: FY08 Obligations through SPS (Q1 and Q2)



Wide Area Workflow (WAWF)**Description**

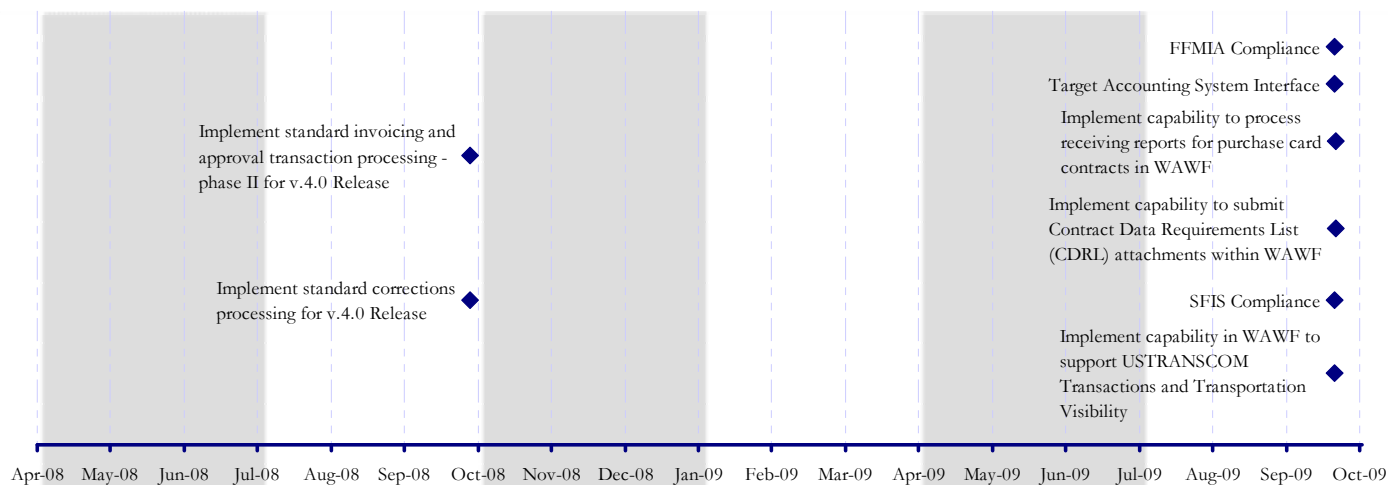
WAWF provides the DoD and its suppliers the single point of entry to generate, capture and process invoice, acceptance and payments documentation and data to support asset visibility, tracking and payment processes. It provides the nexus of information related to acceptance of goods and services in support of the DoD supply chain and helps reduce interest payments through electronic invoicing.

Approach

1) Establish standard data sets for shipment, acceptance, invoice, accounts payable updates, inspection and property transfer allowing systems to interface with WAWF outside of a WAWF release. This will allow Services and Agencies to ensure deployment of ERPs for Receipt and Acceptance. 2) Eliminate the need to maintain numerous interface designs by using single data sets for each business process. This will decrease funds used to update and build maps between WAWF and external systems. Any changes that the service or agency makes will only need to be made at the ERP level. 3) Enable batch processing of Electronic Data Interchange (EDI) transactions. 4) Continue to expand Government Furnished Property (GFP) and property transfer functionality. 5) Eliminate the use of the Web Invoicing System (WInS) and EDI Direct, leaving WAWF as the single method for electronic payment request submission as mandated by the DFARS. 6) Enhance system capabilities to include full Defense Logistics Management System (DLMS) and SFIS compliance and construction payment request processing to include Real Property Inventory Requirement (RPIR) compliance and Real Property Unique Identifier (RPUID) capture and approval.

Benefits

- Creates standard data that can be shared by a wider range of communities in real-time allowing for better decision making at the warfighter level
- Ensures collection of Item Unique Identifiers (IUIDs) to support monitoring of the movement of physical assets decreasing duplicative orders (cost savings) and increasing warfighter support through increased material visibility
- Provides suppliers a single method for invoice submission enabling payment
- Improves accuracy, timeliness and integrity of data exchanged; and eliminates errors associated with human data transcription
- Decreases total processing costs as it eliminates costs associated with manual data entry and decreases interest penalties paid to vendors

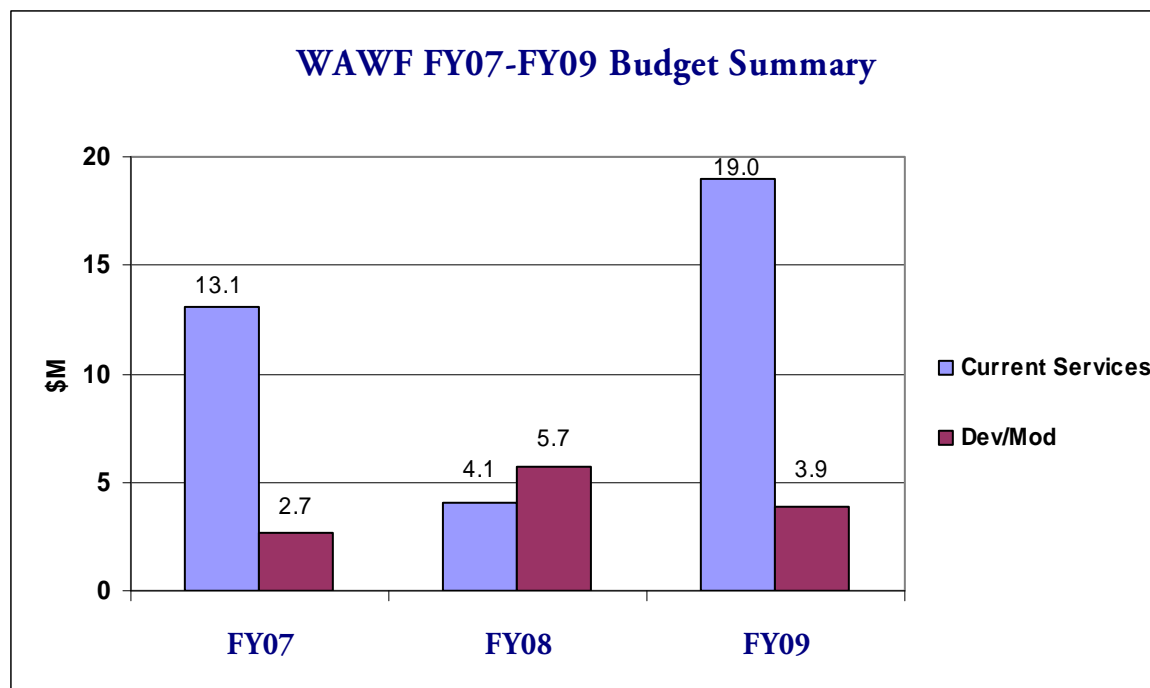
Timeline Diagram

No Legacy Systems Identified



Wide Area Workflow (WAWF)

WAWF FY07-FY09 Budget Summary and Details



In FY09, the WAWF Current Services budget of \$19.0M includes funding for the operations and management of WAWF for \$5.2M and Defense Information Systems Agency (DISA) Hosting of the Business Transformation Agency (BTA) Defense Business System Acquisition Executive (DBSAE) Electronic Business (eB) applications (WAWF, EDA and Global Exchange (GEX)) in the amount of \$13.790M.

Accomplishments/Capabilities Delivered:

- Implemented Standard Transactions Phase II providing Standard Invoicing and Approval, Corrections Processing and application modernization to address issues of stability, future growth and maintainability of the system. Capability delivered in WAWF version 4.0 release in Q4 FY08.
- Processed \$1T in invoices over the lifecycle. The 210,000 active WAWF users continue to process documents valued at \$20B per month, which provided a continued reduction in contracting expenses.

Near-Term Plans:

- Implement capability in WAWF to support United States Transportation Command (USTRANSCOM) Transactions and Transportation Visibility. This capability is planned for WAWF version 4.1 tentatively scheduled for Q4 FY09.
- Implement Standard Financial Information Structure (SFIS) in Q4 FY09 to improve data standards and data integrity.
- Implement ability to process Receiving Reports for Purchase Card Contracts in WAWF. This functionality will allow for better tracking of property acquired through Purchase Cards, which is an internal control weakness that was identified by the GAO-08-333. This capability is planned for WAWF version 4.1 tentatively scheduled for Q4 FY09.
- Implement functionality to be able to submit Contract Data Requirements List (CDRL) attachments within WAWF. This functionality will improve visibility into contractor performance on data deliverables for the Department. This capability is planned for WAWF version 4.1 tentatively scheduled for Q4 FY09.



Wide Area Workflow (WAWF)

System Metrics

Payment Requests Eligible for WAWF Deployment in Q2 FY08

Cumulatively through May 31 FY08, the chart below reflects payment requests that were eligible to be processed through WAWF. The Army utilized WAWF for 37.5% of their documents, the Marine Corps processed 88.1% of their documents through WAWF, the Air Force processed 80.1% of their documents through WAWF, the Navy processed 59.4% of their documents through WAWF and Defense Logistics Agency (DLA) processed 41.3% of their documents through WAWF. Due to policy enacted by the Department of the Army, Q3 and Q4 WAWF usage is anticipated to greatly increase.

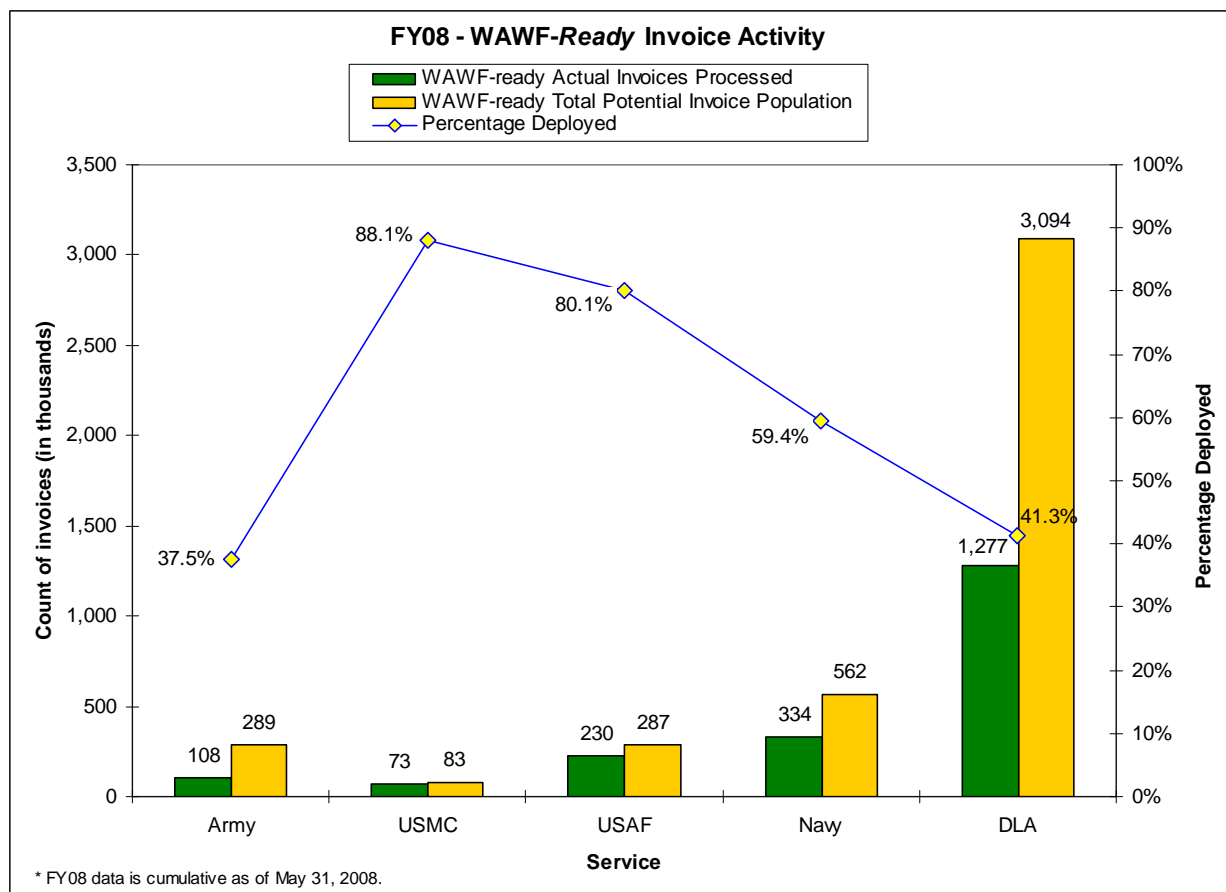


Figure 3-19: WAWF – Ready Invoice Activity



Central Contractor Registration (CCR)**Description**

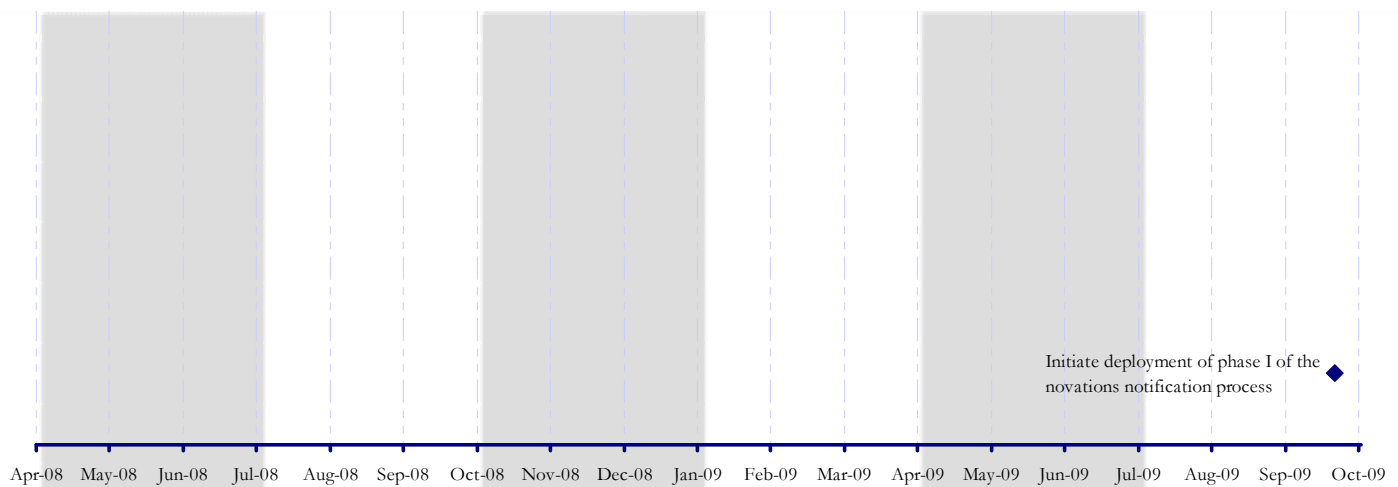
CCR is a web-enabled, government wide application that collects, validates, stores and disseminates business information about the federal government's trading partners. It is the single point of entry for commercial suppliers to provide organization information. CCR supports the contract award, grants and electronic payment processes. CCR is a system in the Federal eGov Integrated Acquisition Environment (IAE) initiative.

Approach

CCR is currently deployed in DoD and will be enhanced in FY09 to develop a novations notification capability. This will improve the acquisition process across the Department. CCR will also continue its support of Grants regulation for Grantees and Sub Grantees. Since CCR is deployed and additional activity is not planned until FY09, there are no accomplishments for FY08. Consequently, there is no additional reporting available.

Benefits

- Provides authoritative source of vendor data to identify quality vendors and improve accuracy of vendor data, to include vendor Electronic Funds Transfer (EFT) information and Taxpayer Identification Number (TIN)
- Provides single point of registration for commercial suppliers and potential grantees supports market research, competition and supplier visibility
- Provides data sharing capabilities with Government procurement and electronic business systems

Timeline Diagram

No Legacy Systems Identified



Electronic Subcontracting Reporting System (eSRS)**Description**

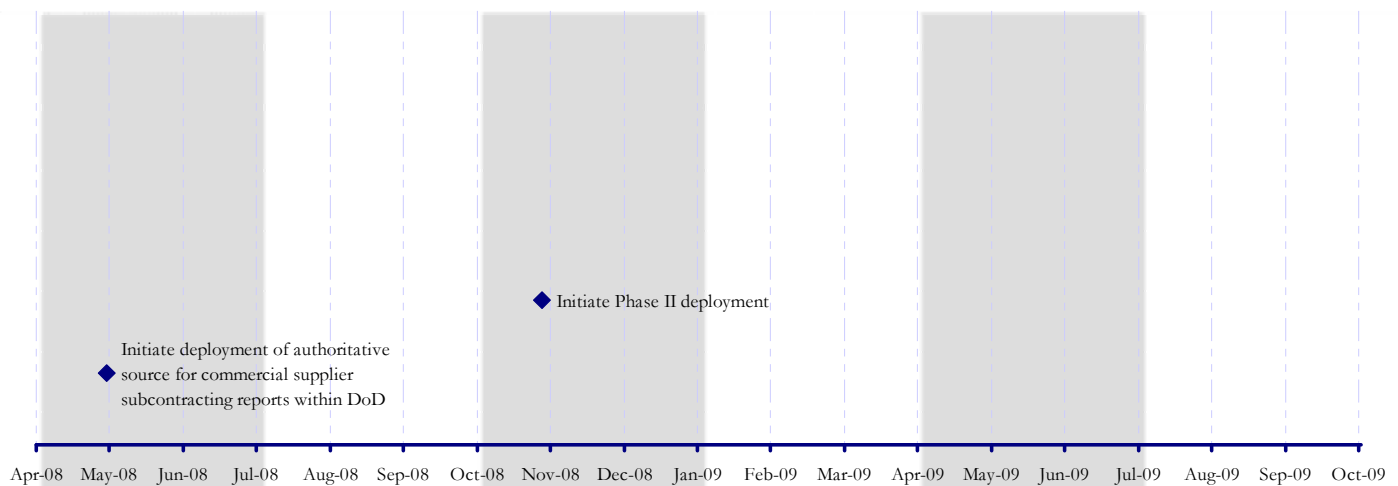
eSRS provides a single point of entry for commercial suppliers to report subcontracting actions. It is the authoritative source to provide the government with insight as to how its subcontracting dollars are being distributed among small and disadvantaged businesses in relation to socioeconomic goals. eSRS falls within the Federal eGov Integrated Acquisition Environment (IAE) initiative.

Approach

Deploy across the Department to all contracting sites for the collection and monitoring of contractor subcontract reporting data.

Benefits

- Provides DoD with an authoritative source and insight into all internal subcontracting activities by interfacing with Central Contractor Registration (CCR) system to automatically populate basic vendor information using the Data Universal Numbering System (DUNS) number and with Federal Procurement Data System-Next Generation (FPDS-NG) to populate basic contract information
- Automates the collection of contractor subcontract reporting data formerly accomplished via paper submissions of Standard Form-294 and Standard Form-295
- Provides online report generation capability for DoD to ensure that the requirements for Historically Underutilized Business Zone (HUBZone), women and minority subcontractors are met

Timeline Diagram

No Legacy Systems Identified



Electronic Subcontracting Reporting System (eSRS)

Accomplishments/Capabilities Delivered:

- Initiated Phase I of deployment of eSRS in Q3 FY08 across DoD as the authoritative source for commercial supplier subcontracting reports, increasing visibility of subcontracting data to ensure contractor compliance with subcontracting goals.

Near-Term Plans:

- Initiate Phase II of eSRS deployment in Q1 FY09 across DoD, in conjunction with the October 2008 eSRS reporting period. Phase II will encompass those Services and Agencies currently providing contract data in FPDS-NG.

System Metrics

eSRS Deployment Status

The initial eSRS launch met the Office of Management and Budget (OMB) goal of deploying the system. During this first phase, 5% of the Department began using eSRS to capture their subcontracting reports. By the end of Q1 FY09, eSRS will be deployed to the majority of Defense Agencies and Military Services using FPDS-NG, reaching 85% of the organizations across the Department.

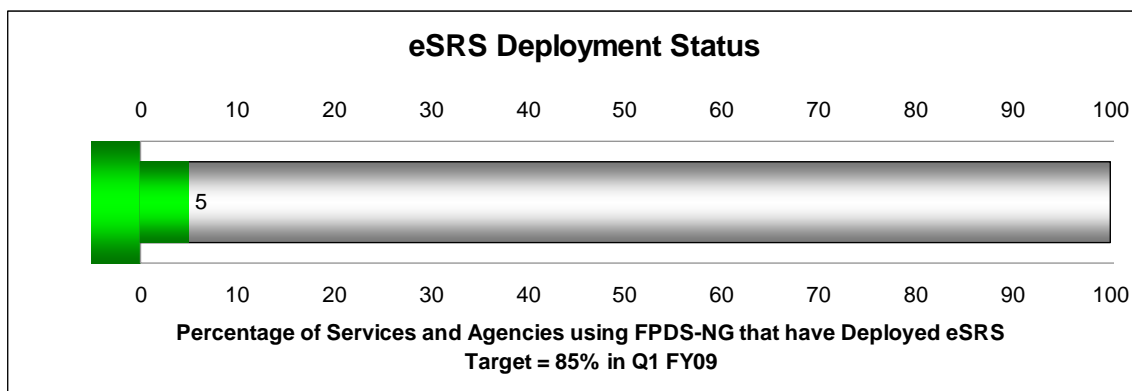


Figure 3-20: eSRS Deployment Status



Federal Business Opportunities (FBO)**Description**

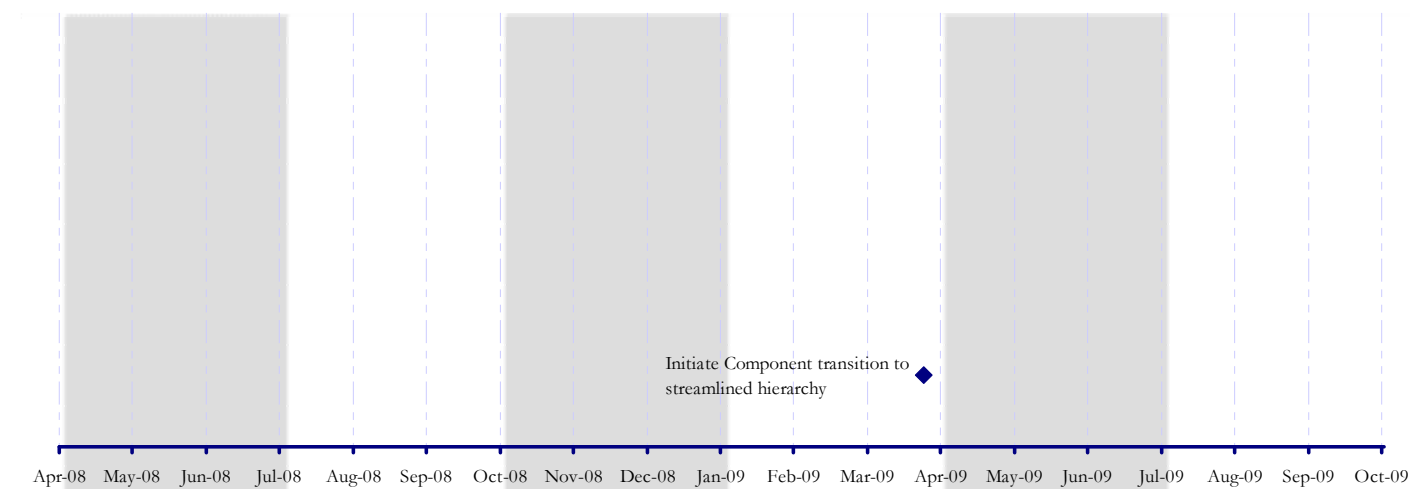
FBO is the single Government Point-of-Entry (GPE) for federal government procurement opportunities over \$25K and all sensitive technical data packages associated with those opportunities formerly stored in the Federal Technical Data Solutions (FedTeDS). Via the web, government buyers are able to publicize their business opportunities by posting solicitation information directly to FBO, while government engineers link technical drawings to those opportunities and commercial vendors seeking federal markets for their products and services - can search, monitor and retrieve those opportunities solicited by the entire federal contracting community - all through one portal.

Approach

- Gather DoD-wide requirements to improve system interfaces and direct web portal access with FBO for submission to managing partner General Services Administration (GSA)
- Initiate Component transition to streamlined hierarchical structure that is in line with the Federal Procurement Data System-Next Generation (FDPS-NG/eSRS) procurement hierarchy

Benefits

- Provides DoD a centralized method to communicate requirements to industry and promote competition for sourcing opportunities
- Provides single point of entry for all commercial suppliers to search for opportunities

Timeline Diagram**Legacy System Term Date**

FEDTEDS	Apr-08
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Federal Business Opportunities (FBO)**Accomplishments/Capabilities Delivered:**

- Initiated deployment of new solution to DoD users in Q4 FY08 that includes enhanced search capabilities for vendors and a more streamlined posting process for government buyers and engineers.
- BTA has successfully implemented an internal (DoD) change management process for stakeholders to submit Change Request (CR) and report other issues with FBO. This process allows BTA to consolidate and submit issues for the Military Services and the Defense Agencies from a central point of contact for the Program Management Office (PMO).

Near-Term Plans:

- Initiate Component transition, in Q2 FY09, to streamline the hierarchical office structure that aligns the procurement hierarchy used in FPDS-NG and eSRS.



Federal Agency Registration (FedReg)**Description**

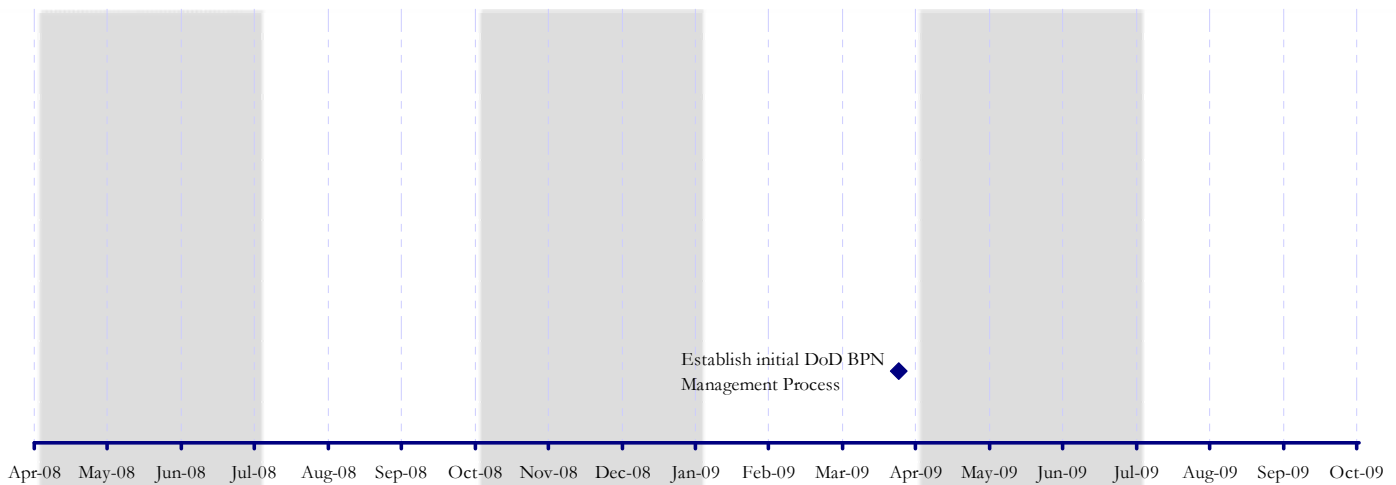
FedReg is a web-enabled government-wide application that collects and stores information on federal government buying and selling entities to facilitate accurate financial accounting of intra-governmental transactions. FedReg allows each intra-governmental transaction to have information attached to it about each trading partner. FedReg is a system within the Federal eGov Integrated Acquisition Environment (IAE) initiative.

Approach

The Department's use of FedReg is tied to the implementation of the Intergovernmental Value Added Network (IVAN) system supporting Intergovernmental Transactions. Potential changes to DoD's implementation of FedReg will occur. Since FedReg is deployed and additional activity is not planned until a future date, there are no accomplishments for FY08. Consequently, there is no additional reporting available.

Benefits

- Provides insight into Department and federal government supplier base
- Provides centralized source to collect and disseminate government business partner data
- Increases government sellers' visibility in the procurement arena and helps lower costs by potentially increasing competition

Timeline Diagram

No Legacy Systems Identified



Federal Procurement Data System-Next Generation (FPDS-NG)

Description

FPDS-NG provides visibility into all federal contract sourcing arrangements with commercial suppliers. It is a web-based system that offers both the public and federal government with a self-service, near real-time, searchable repository for information about unclassified government contracts with third party vendors. FPDS-NG collects contract reporting data from all federal agencies. FPDS-NG is a system within the Federal eGov Integrated Acquisition Environment (IAE) initiative.

Approach

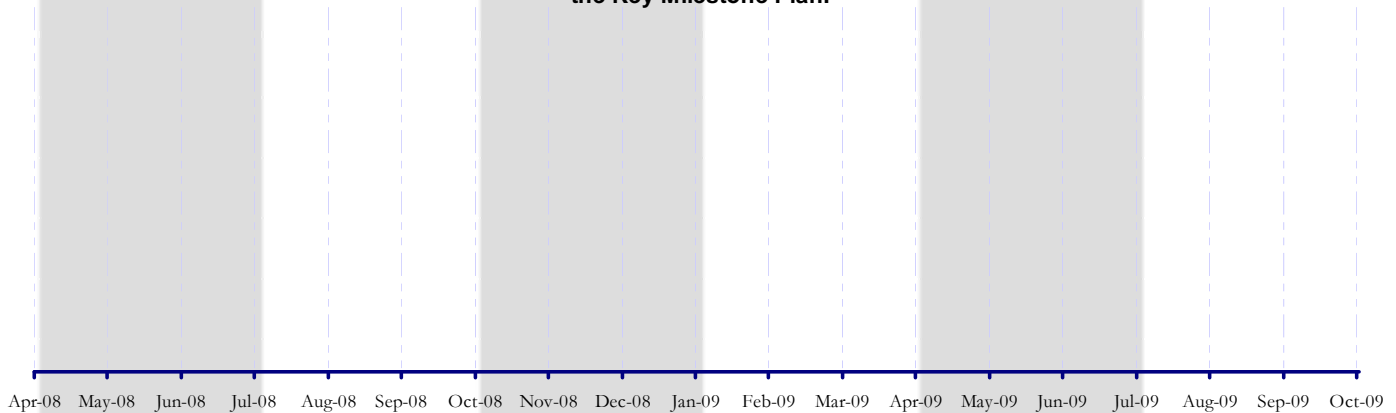
- Deploy to all procurement sites for machine-to-machine or online reporting of procurement actions and upgrade sites to version 1.3
- Integrate with the JCC-I/A Joint Contingency Contracting System (JCCS) and the Defense Contract Management Agency's (DCMA) Modification and Delivery Order (MDO) system to ensure complete and accurate detailed Federal Acquisition Regulation (FAR-based) contract reporting in FPDS-NG
- Continue collaborative efforts with General Services Administration (GSA) to further refine the strategic plan to verify and validate DoD contract reporting data to satisfy Federal Funding Accountability and Transparency Act (FFATA) requirements and ultimately improve the accuracy of the contract reporting data being collected in FPDS-NG

Benefits

- Provides single site for collection of Contract Action Reports (CAR) which reflect all monetary transactions
- Interfaces machine-to-machine with contract writing systems across DoD to allow for near real-time updates
- Provides the government and public users with the ability to download and customize procurement reports

Timeline Diagram

Program has no active milestones within time horizon. For a complete listing of milestones, refer to the Key Milestone Plan.



Legacy System Term Date	
CARS1 (J001)	Feb-07
PMRS	Mar-07



Federal Procurement Data System-Next Generation (FPDS-NG)

Accomplishments/Capabilities Delivered:

- Continued collaborative efforts with GSA to refine further the strategic plan to complete critical data management fixes and updates identified by independent verification and validation and certify completion of FY07 reporting in Q3 FY08. Ultimately, the goal is to improve the accuracy of the data being collected in FPDS-NG to satisfy FFATA requirements. This will allow executives to make more informed decisions when acquiring materials and services for the Department.
- Initiated first phase of Independent Verification and Validation (IV&V) effort by issuing the Department-wide FPDS-NG Data Improvement Plan, collecting Q1-Q3 FY08 results of data accuracy rates, to Components in accordance with the Office of Federal Procurement Policy mandate.
- Successfully certified JCC-I/A JCCS with FPDS-NG, which enables the Joint Command to provide required individual contract action reports, in Q4 FY08.

Near-Term Plans:

- Department-wide deployment of FPDS-NG V 1.3 to all Component Contract Writing Systems in Q1 FY10.

System Metrics

Number of contracting actions reported in FPDS-NG during FY07

The graph depicts the total amount of FY07 contracting dollars spent by each Component who executes contracting action reports in FPDS-NG (excluding the Defense Intelligence Agencies - National Geospatial-Intelligence Agency (NGA), Defense Intelligence Agency (DIA) Counterintelligence Field Activity (CIFA)). The Department provides certification of these contracting actions and dollars to the Office of Management and Budget (OMB) on an annual basis. Outside of the 7% of contracting dollars spent by Defense Commissary Agency (DeCA), TRICARE, Missile Defense Agency (MDA), DISA and United States Special Operations Command (USSOCOM), the remaining Other Defense Agencies (ODAs) combined, account for less than 1% of the total dollars that were contracted in FY07. The Army, Navy and Air Force account for 83% of the contracting dollars spent in FY07, while the Defense Logistics Agency accounts for 9%.

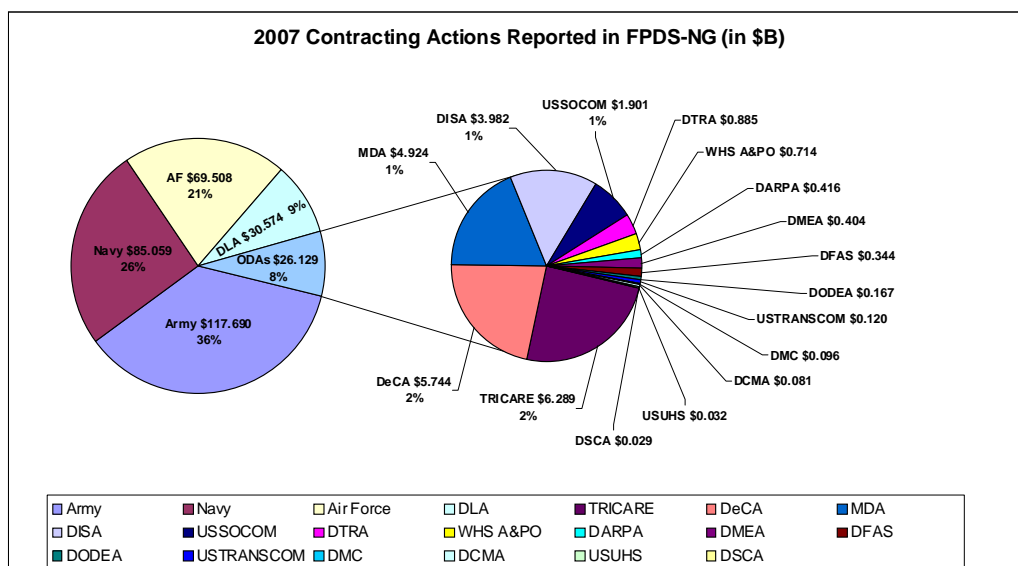


Figure 3-21: Contracting Actions Reported in FDPS-NG in FY07



Past Performance Information Retrieval System (PPIRS)**Description**

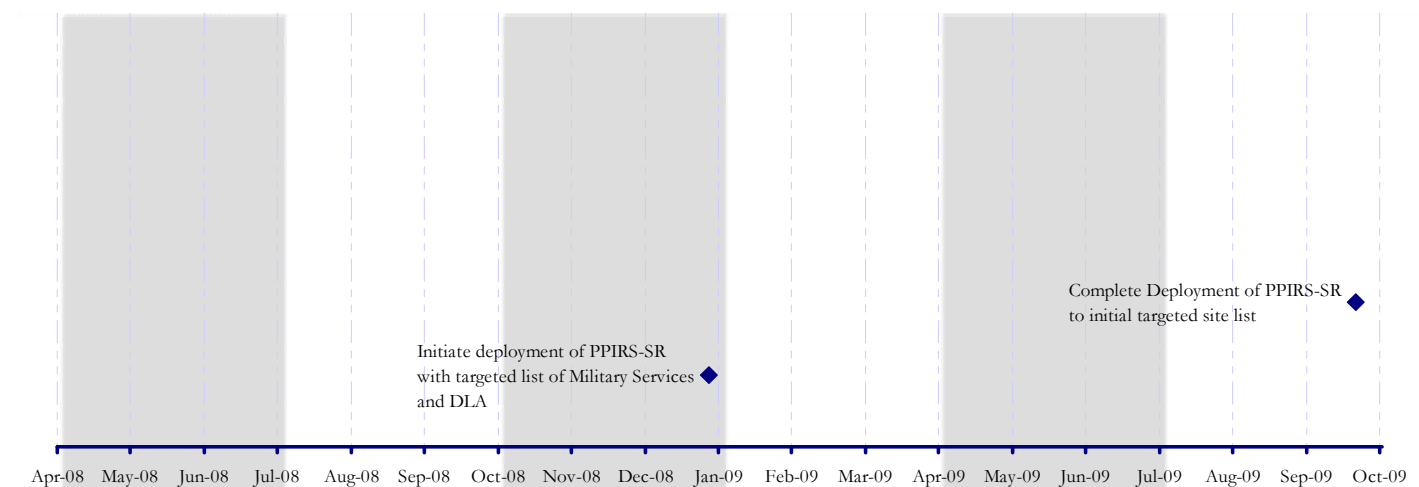
PPIRS is the authoritative source for contractor performance information submitted by DoD and federal agencies. It compiles data from several "report card" systems across the federal government for a consolidated, comprehensive view of contractor performance. PPIRS is divided into a Report Card and a Statistical Reporting Module. The Report Card Module captures rated and narrative assessments, containing both government and contractor comments, on large dollar value contracts. The Statistical Reporting Module interfaces with DoD legacy systems to provide contractor performance information on lower dollar value contracts. PPIRS is a system within the Federal eGov Integrated Acquisition Environment (IAE) initiative.

Approach

- PPIRS Report Card (RC) is deployed within DoD
- PPIRS Statistical Reporting (SR) is being deployed across DoD using a phased approach during FY08-09

Benefits

- Provides DoD visibility into the performance of commercial suppliers through quantifiable, objective evaluations
- Collects Contractor Performance Assessment Reports (CPARs) completed by DoD and across federal agencies to ensure "Best Value" contract award decisions are made
- New Statistical Reporting Module provides contractor performance information for lower dollar value contracts by classifying contractors' quality and delivery performance based on each commodity that contractors sell to DoD. This module complements the existing Report Card Module, which is used to retrieve completed assessments or report cards that document contractor performance for higher dollar value contracts.
- Provides an automated, efficient method of retrieving contractor performance information

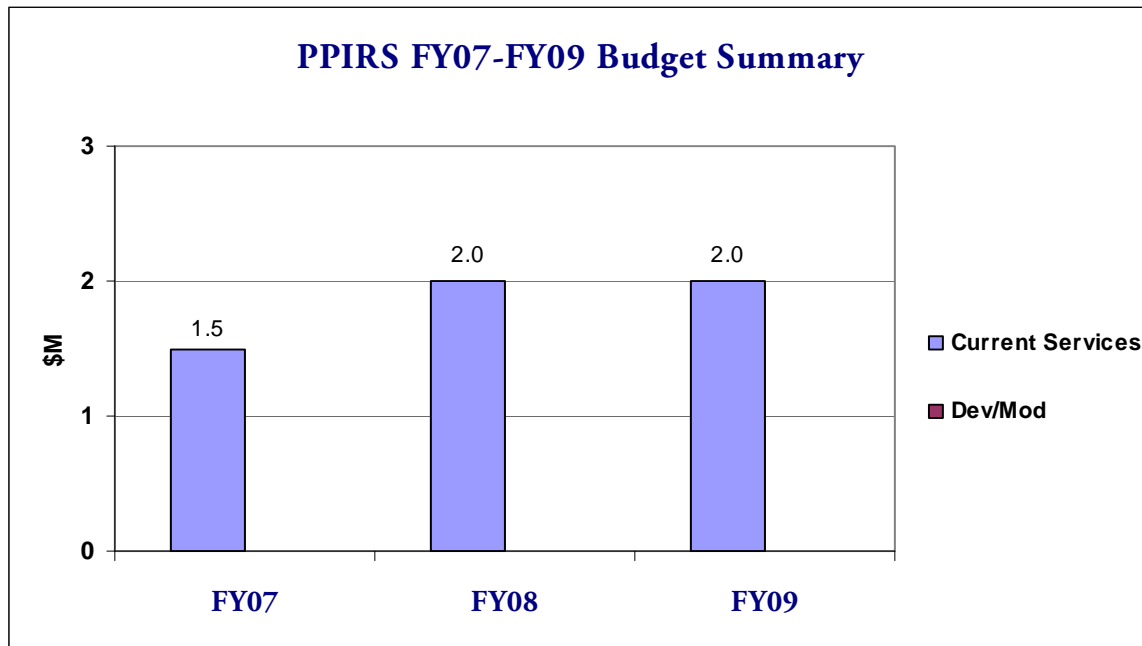
Timeline Diagram

No Legacy Systems Identified



Past Performance Information Retrieval System (PIRS)

PIRS FY07-FY09 Budget Summary and Details



No funding shortfalls are anticipated.

No Dev/Mod funding budgeted for FY07-FY09.

Accomplishments/Capabilities Delivered:

- Instituted the use of an Operational Requirements Committee (ORC) to provide key stakeholders the opportunity to determine and prioritize all essential system requirements in accordance with the Defense Sourcing Portfolio governance structure in Q1 FY08.
- Initiated planning, coordination and support of PPIRS-Statistical Reporting (SR) module deployment to the Military Services and other Defense Agencies in Q2 FY08.
- Successfully completed training to Air Force Logistics Command users on PPIRS-Statistical Reporting (SR) in Q3 FY08.
- In Q4 FY08, PPIRS was determined to be the authoritative tool that promotes best-value contracting procedures for identifying all DoD contracts terminated due to contractor default.

Near-Term Plans:

- Initiate deployment of PPIRS-SR with targeted list of Military Services and DLA in Q1 FY09.
- Complete Deployment of PPIRS-SR to initial targeted site list in Q4 FY09. The deployment across DoD of the newer Statistical Reporting Module will provide DoD contracting officials with a source of contractor performance information for lower dollar value contracts. This complimentary module will result in a single process for DoD and Industry for rating and evaluating contractor performance.



Past Performance Information Retrieval System (PIRS)

System Metrics

Number of application inquiries by DoD Activities Using the Statistical Reporting Module

The PPIRS application tracks the number of solicitation inquiries that are queried using the Statistical Reporting (SR) Module. The SR Solicitation Inquiry metric identifies the number of times the application is being used to retrieve contractor performance information in support of DoD source selections. It is anticipated that the number of PPIRS inquiries will increase substantially as the number of field activities and contracting officials begin using SR during the source selection process. The recent deployments to Hill Air Force Base (AFB) and Tinker AFB added more than 400 users, while the expected deployment to additional Army, Navy and DLA sites will add an estimated 3000+ users dramatically increasing the number of reports retrieved from PPIRS.

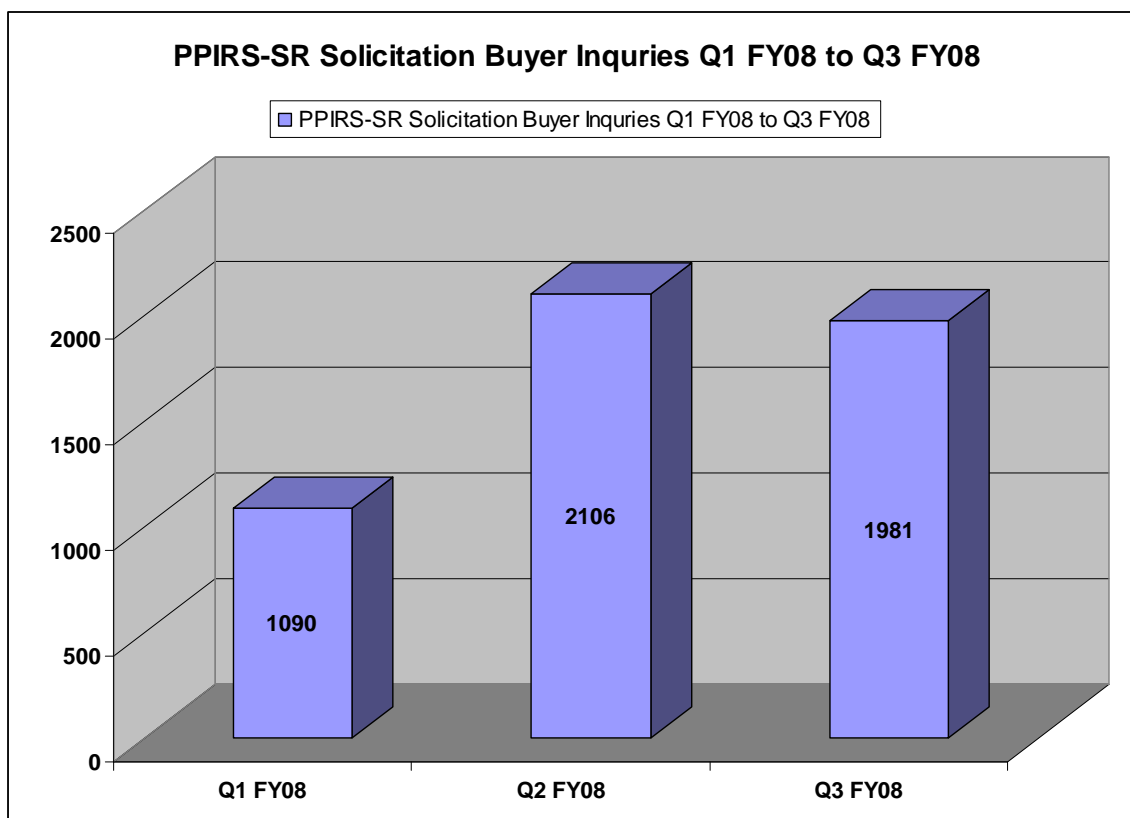


Figure 3-22: PPIRS-SR Solicitation Inquiries



Joint Contingency Contracting System (JCCS)**Description**

JCCS provides JCC-I/A procurement professionals a single source of data entry for contracting and financial data to support mission spend analysis, strategic sourcing and staffing requirements. JCCS output produces a myriad of contract and financial reports to support the warfighter's overall acquisition forecasting.

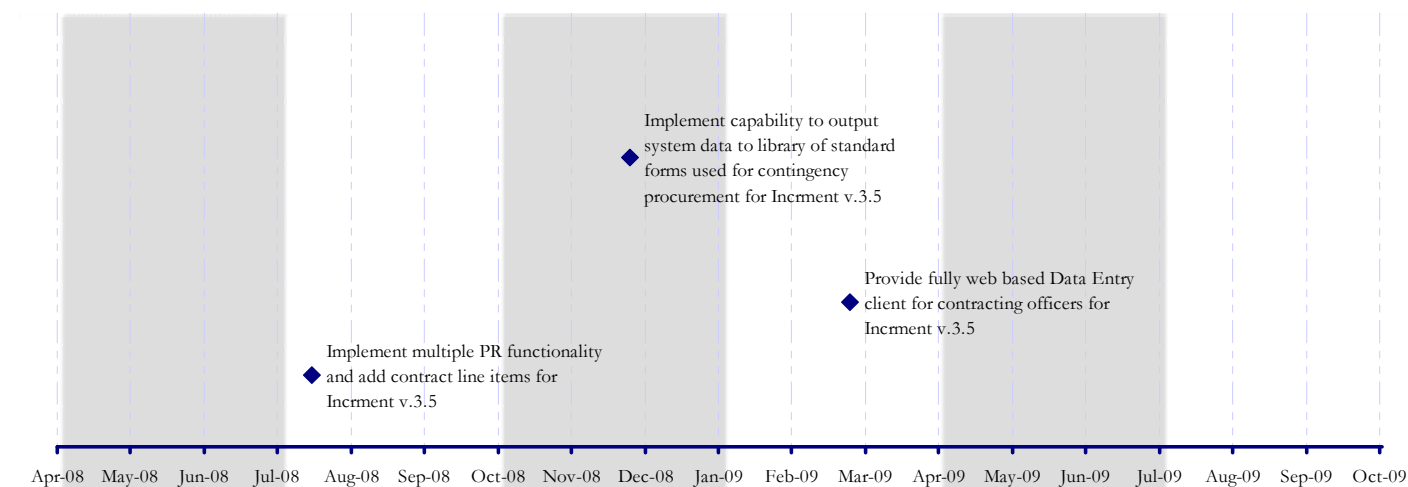
Approach

JCCS' approach to achieving its objective is to:

- Support the acquisition warfighter's ability to report on individual and collective spend data throughout the theater of operations
- Provide enhanced Host Nation vendor registration and management
- Provide culturally relevant (English/Arabic) means of posting solicitations and tracking proposals from host nation vendors

Benefits

- Serves as the centralized web-based reporting and tracking tool that provides transparency into dollar spend and contract award in Iraq and Afghanistan
- Provides real-time database for contract information and reporting by producing adhoc reports on-demand addressing Commanders' critical customer requirements for operational and strategic decision making
- Reports to DoD and federal organizations' stakeholders in 19 Iraq and six Afghanistan regional contracting Commands (RCC) and ten Special Operations Command (SOCOM) contracting offices throughout the world
- Captures critical in-theater acquisition and vendor data with emphasis on host nation spending and state owned enterprise (SOE) strategic initiatives

Timeline Diagram

Legacy System	Term Date
ACIT	Aug-07
JCCI/A ADMIN	Aug-07



Joint Contingency Contracting System (JCCS)

Accomplishments/Capabilities Delivered:

- Enhanced the capabilities established in version 3.0 during Q2 FY08.
- Deployed capabilities that allow the end-user to associate multiple purchase requests to one or many contract awards and to add contract line items to a contract during Q4 FY08.

Near-Term Plans:

- Implement capability to output to 14 standard contracting forms used for contingency procurement in Q1 FY09.
- Provide fully web-based contracting officer client during Q2 FY09 to enable zero footprint deployment, eliminating the need to install software locally.

System Metrics

Contracting Actions by Quarter in JCCS

The chart below depicts the total number of actions by quarter for the last five quarters. The actions are broken down into the following components: Commodity, Construction, Service and Miscellaneous (miscellaneous represents less than one tenth of 1% of the aggregate total number of actions). This metric is important to JCCS because it represents the categorical spend and trend/patterns for the last five quarters of the data in JCCS and assists the appropriate authorities with their planning and decision-making process; and also assists in forecasting categorical requirements.

Note: The term “Actions” represents all types of awards or modifications

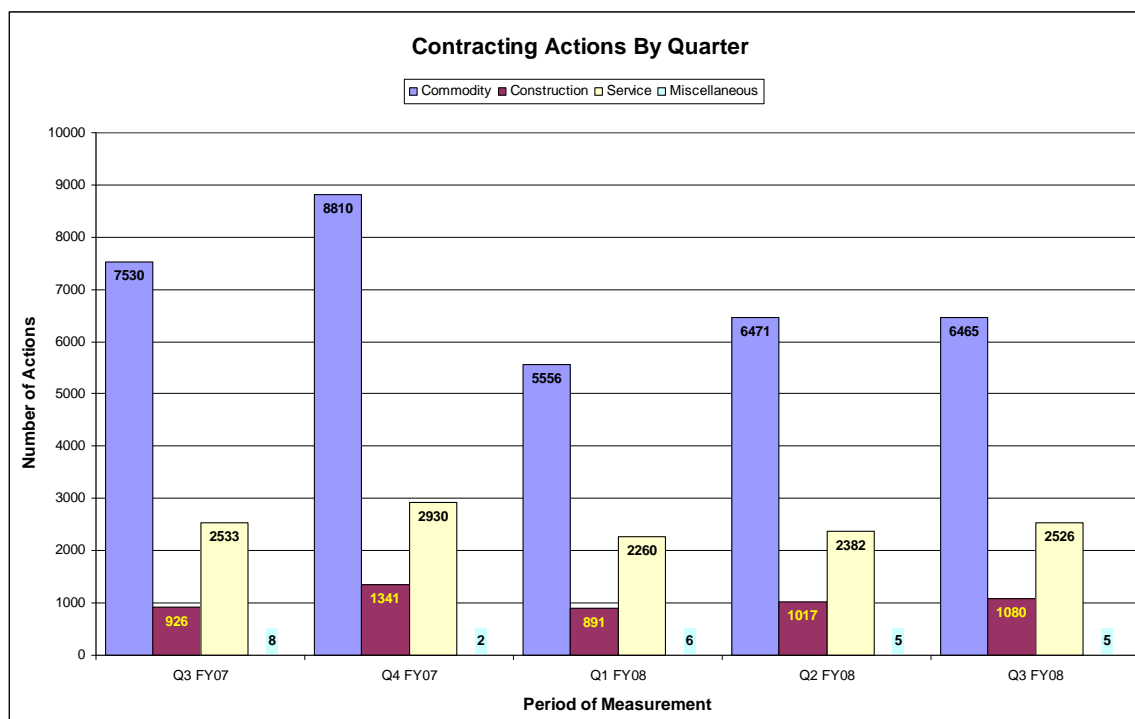


Figure 3-23: Contracting Actions by Quarter in JCCS



Joint Contingency Contracting System (JCCS)

Number of JCCS Registered Vendors Q1 FY07 to Q4 FY08

The successful implementation of JCCS into Iraq and Afghanistan resulted in the rapid increase in companies registered in the system during the two year period of Q1 FY07 to Q4 FY08. The number of Iraqi Contracting Operations (ICO) vendors registered with one or more contracts increased seven times. Also during this time, the number of registered Afghan Contracting Operations (ACO) vendors increased six times and ACO vendors with one or more contracts increased four times. Through FY09, the number of registered Joint Contingency Contractors (JCC) is expected to increase.

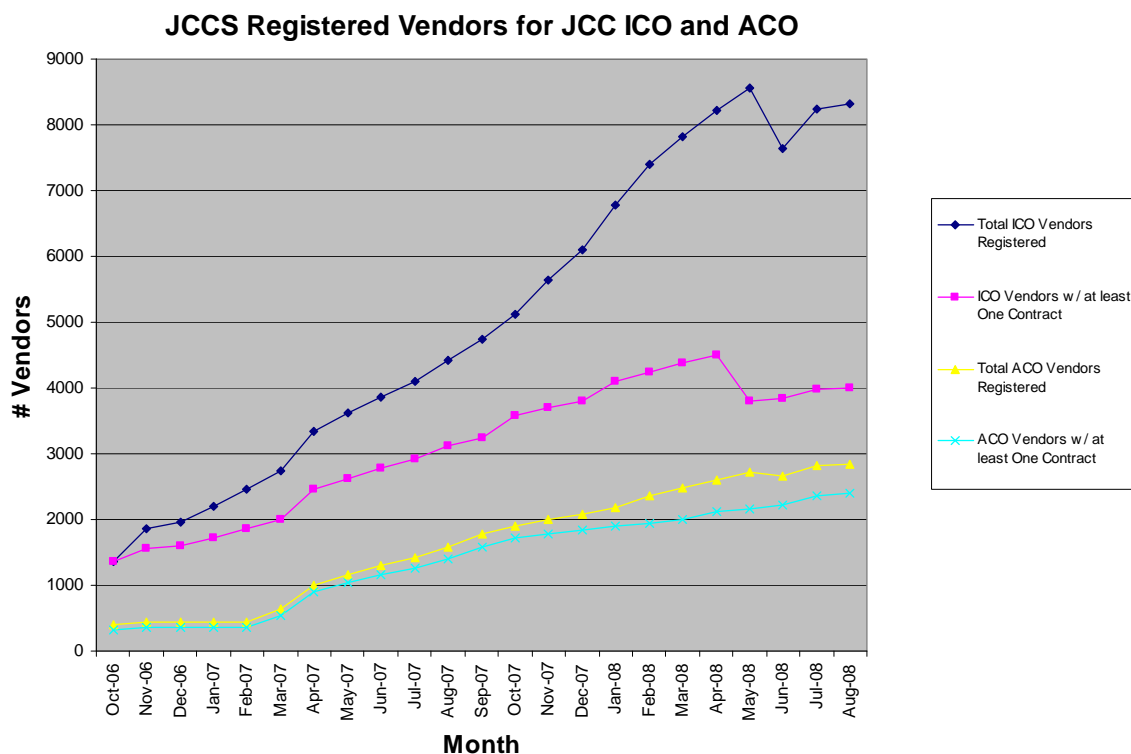


Figure 3-24: Registered Vendors in Afghanistan and Iraq



Synchronized Predeployment and Operational Tracker (SPOT)**Description**

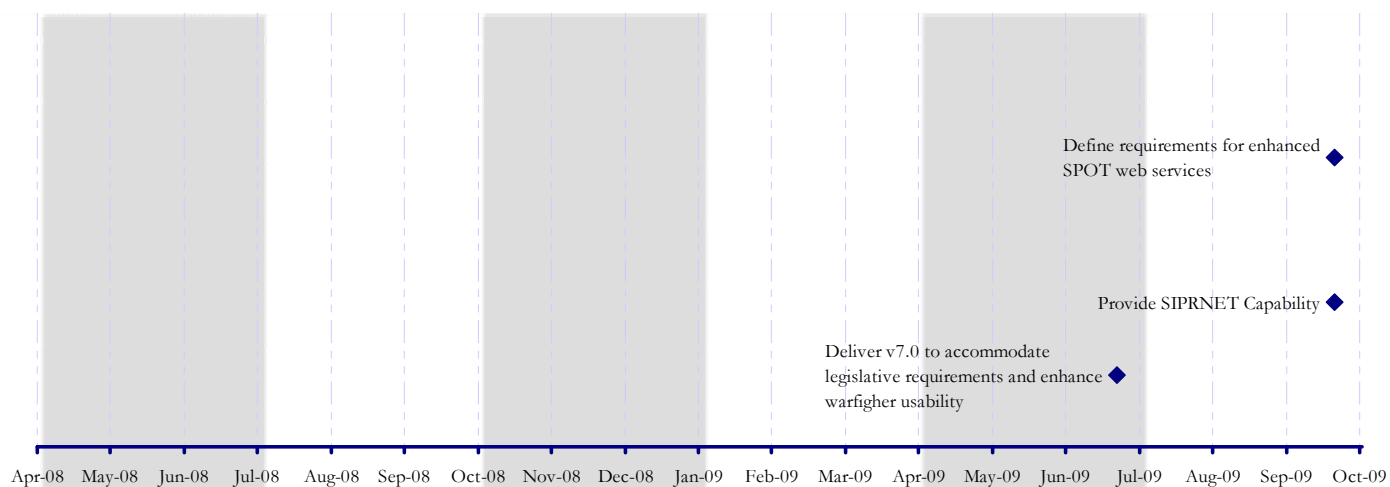
SPOT acts as the joint Enterprise system for tracking contractors who deploy with the military. It's the only system that supports the DoDI 3020.41 requirements to relate contract-level information with individual contingency contractor employee information. The system is populated by Company personnel via secure, Internet access and updated with current locations as individuals move throughout the area of responsibility. Government Agencies use SPOT to analyze available contract services and to support their mission needs, defense contractors use SPOT to process and track the individuals who deploy to provide required capabilities and Combatant Commanders use SPOT reports to maintain overall visibility of contractors within their area of responsibility and integrate contractor support into their operational plans.

Approach

1) Monitor compliance with March 19, 2007 and October 17, 2007 Defense Federal Acquisition Regulation Supplement (DFARS) Clause 252.225-7040 Deviation Memos, specifically naming SPOT as the database to register all contingency contracts and contractors. 2) Enforce compliance with Defense Procurement Acquisition Policy (DPAP's) January 28, 2008 Memo on implementation through validation checks of contractors entering an area of responsibility to ensure proper registration in SPOT and use of the digitally generated Letter of Authorization (LOA). 3) Create service-oriented architecture and web-based services to interface with authoritative databases. 4) Modify SPOT and other Contractor on the Battlefield Commissary Operating Board (COB) applications to meet emerging enterprise user requirements. 5) Fully leverage biometric and base authorization transactions to populate contractor movements in SPOT.

Benefits

- Implements DoDI 3020.41 requirement, providing enhanced DoD acquisition workforce program management relative to contingency operation combat support and reconstruction by providing information on contractor location, training and capabilities - thus providing Leadership with greater visibility of capabilities within Area of Responsibility (AOR)
- Eliminates manual data entry and costs associated with review, correction and reworking errors. This provides greater oversight and accuracy of data enabling a savings of tax dollars and a lessening of the required workload on the warfighter
- Improves operational efficiency in contingency operations through use of standardized systems, data and processes
- Provides reliable and accurate planning for contractor support to the warfighter

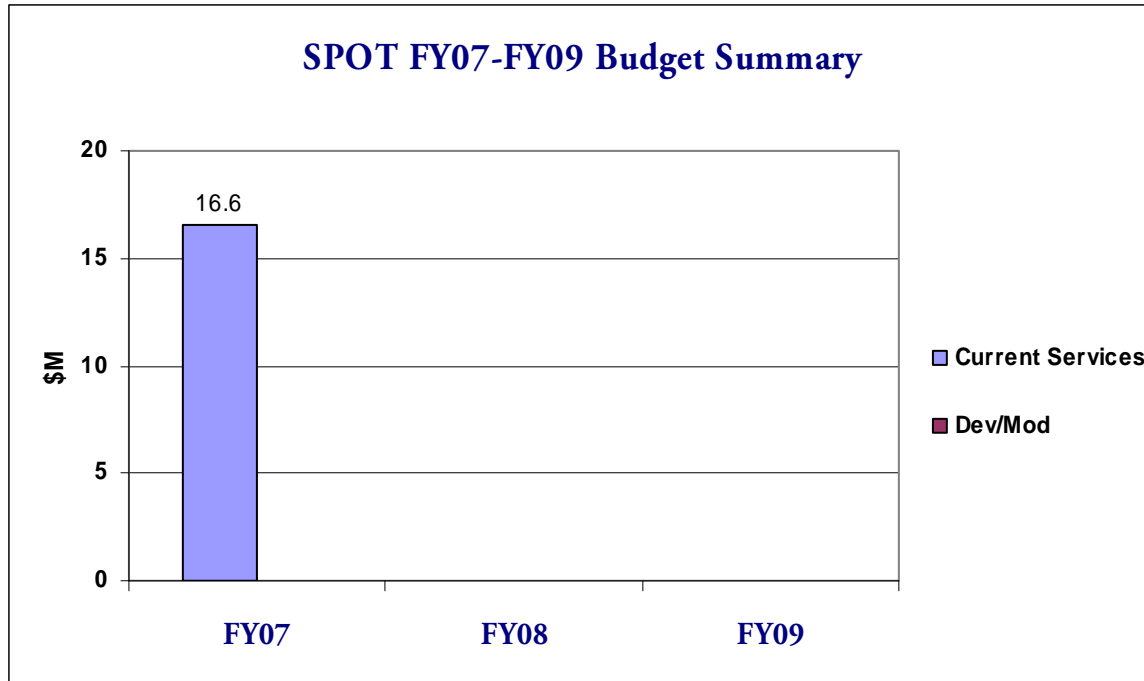
Timeline Diagram

No Legacy Systems Identified



Synchronized Predeployment and Operational Tracker (SPOT)

SPOT FY07-FY09 Budget Summary and Details



No Current Services funding budgeted for FY08-FY09. No Dev/Mod funding budgeted for FY07-FY09.

SPOT–Program is currently funded with Global War on Terror (GWOT) funds; the FY09 requirement is \$18M.

Funding supports current contingency operations and building functionality for future contingencies, including a classified version of SPOT, automated connections with authoritative source enterprise systems and analytics for operations and logistics planning scenarios.

Accomplishments/Capabilities Delivered:

- Initiated initial data transfer during Q4 FY08 from biometrics community providing better security and oversight.
- Completed first four phases of six-phased plan for SPOT implementation across DoD during Q3 FY08.
- Fielded more than 200 Joint Asset Movement Management Systems (JAMMS) scanning workstations during Q3 FY08 and Q4 FY08 that read bar codes on identity credentials providing accurate tracking of contractors and providing better oversight to the Contracting Officers. More than 26 million movement transactions are now on record with one million transactions being collected each week.
- Enhanced LOA processing in Q2 FY08 by adding bulk capability to reduce the time spent by Requiring Activities and Contracting Officers in LOA reviews and approvals respectively; provided LOA inbox screens for company users to view or search employee status.
- Implemented SPOT stand-alone login/password registration capability in Q2 FY08 that decoupled other Service and company users from having to acquire Army Knowledge Online email accounts, saving time and required resources.

Near-Term Plans:

- Deliver Release v7.0 to accommodate legislative requirements and enhance warfighter usability in accordance with evolving contingency operations doctrine, goals and objectives in Q3 FY09.



Synchronized Predeployment and Operational Tracker (SPOT)

- Design a classified version of SPOT by Q4 FY09 to run on the Secret Internet Protocol Router Network (SIPRNET), providing greater security oversight.
- Leverage BTA data standards methodology to define requirements for enhanced SPOT web services to reduce manual entries and improve data quality by Q4 FY09.

System Metrics

Contractors Accompanying the Force (CAF) Registrations for SPOT

This metric depicts how the rapid deployment of SPOT has increased the database of (CAF) registrations exponentially from Q1 FY06 to Q3 FY08.

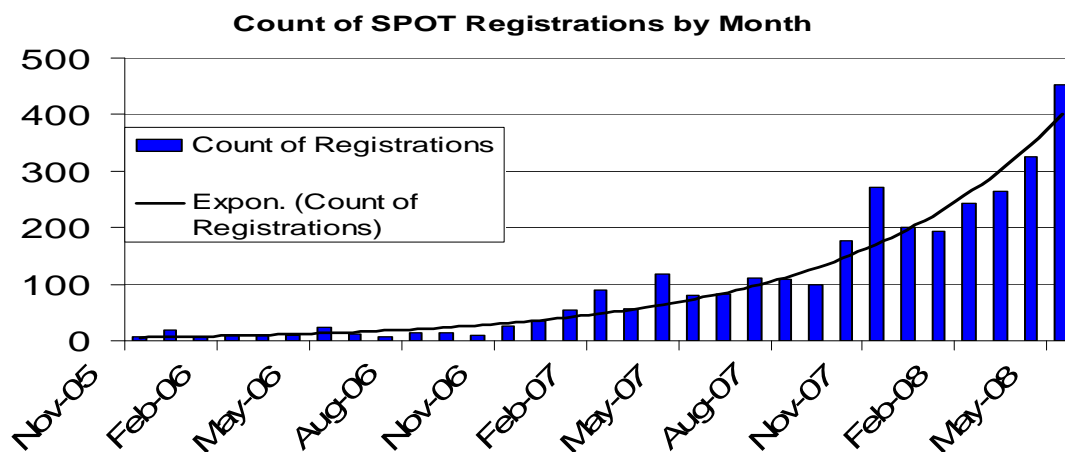


Figure 3-25: CAF Registrations for Spot



Cross-BEP and Component Integration

CSE continues to collaborate with other Business Enterprise Priorities in order to achieve the goals of the Department. CSE worked with Materiel Visibility (MV) in order to enhance Transportation Visibility within WAWF. More specifically, WAWF will provide the ability to add tracking numbers, Standard Carrier Alpha Codes (SCAC), better Bill of Lading data and Transportation Control Number (TCN) integrity.

CSE simplifies and standardizes the interactions with commercial and government suppliers in the acquisition of catalogue and stock goods, through operability of WAWF. In addition, there is a joint effort to identify key supply chain data elements and define their characteristics to aid in system interoperability, implementation and compliance. As MV continues to define and validate processes related to delivery, return, disposal and the management of inventory, CSE will support the refinement of the Intragovernmental Transaction processes where appropriate.

CSE continues to work with the Financial Visibility (FV) Business Enterprise Priority to define and implement SFIS for the CSE financial feeder systems and Procurement Data Standards effort.

The SCM Data Standards group will lead the initiative to standardize data concepts across acquisition, logistics and financial Domains, where data format, business rules and definitions are disparate, to create cross functional enterprise data standards. Key data initiatives include the Standard Financial Information Structure (SFIS), Acquisition Visibility (AV-61), Procurement Data Standards (PDS), Real Property Inventory Requirement (RPIR), Master Data Capacity (MDC); each with a different governance structure. Common data elements across these key data initiatives will be analyzed and compared to identify conflicts and gaps and then provided to the various governance structures to define their lead who, in turn, will define the enterprise standard.

Many of the CSE accomplishments and near-term plans require close coordination with OSD, Military Services and Defense Agencies. In addition to those efforts described above, CSE continues to utilize the Investment Review Board (IRB) process to enforce common business rules and practices in the form of IRB Conditions. These conditions tie to operational activities in the BEA, which includes Manage Receipt and Acceptance, Conduct Solicitation and Source Selection, Establish Sourcing Vehicle and Monitor Source Selection.

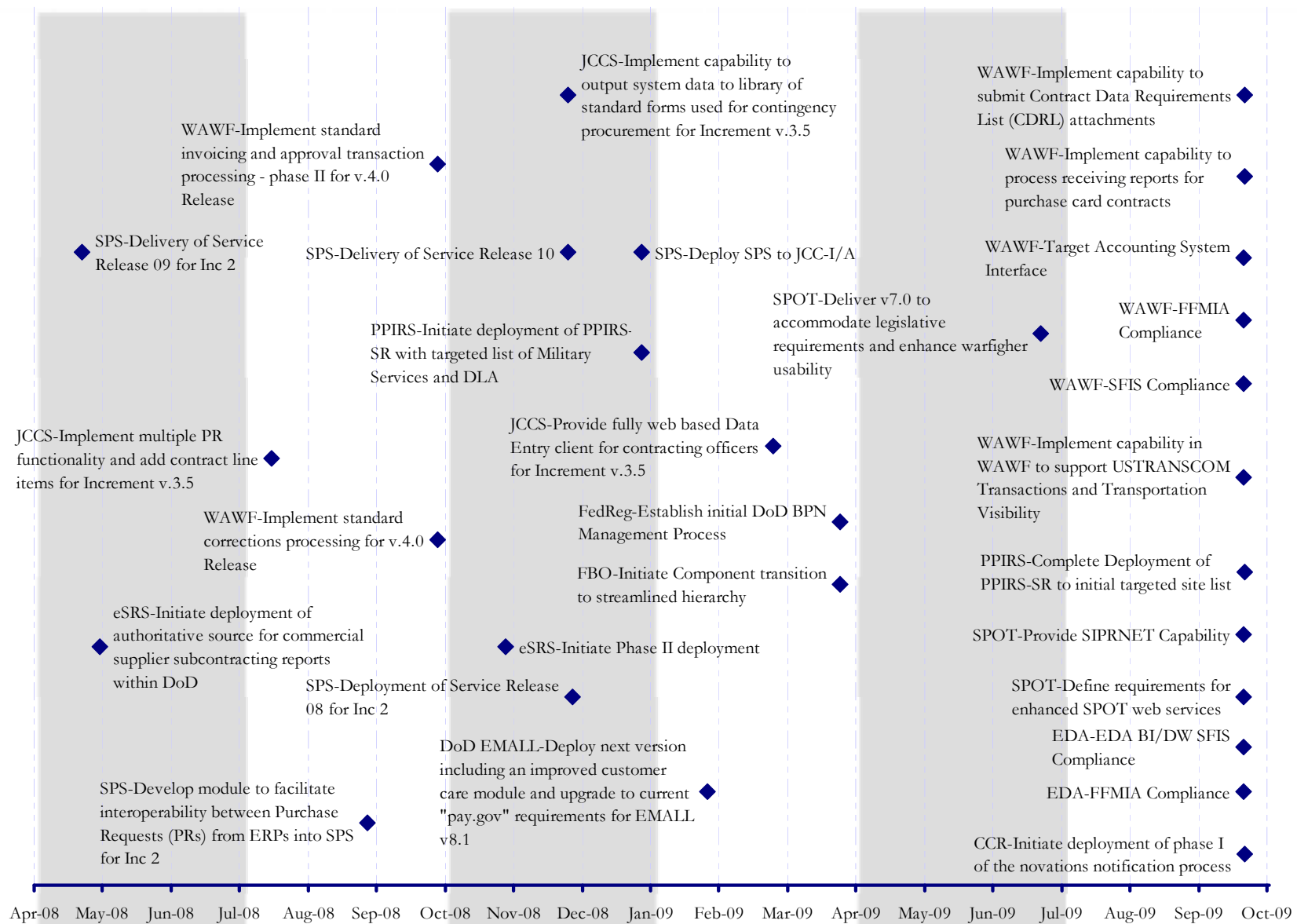


Common Supplier Engagement Dashboard

Common Supplier Engagement (CSE)																																					
<p>Common Supplier Engagement (CSE) is the alignment and integration of the policies, processes, data, technology and people to provide a consistent experience for suppliers and DoD stakeholders to ensure reliable and accurate delivery of acceptable goods and services to support the warfighter.</p> <p>The primary goal of CSE is to simplify and standardize the methods that DoD uses to interact with commercial and government suppliers in the acquisition of catalog, stock, as well as made-to-order and engineer-to-order goods and services. CSE also provides the associated visibility of supplier-related information to the Warfighting and Business Mission Areas.</p>	<div>Systems & Initiatives</div> <div>Transformational</div> <div>DoD Electronic Mall (DoD EMALL)</div> <div>Electronic Document Access (EDA)</div> <div>Central Contractor Registration (CCR)</div> <div>Electronic Subcontracting Reporting System (eSRS)</div> <div>Federal Business Opportunities (FBO)</div> <div>Federal Agency Registration (FedReg)</div> <div>Federal Procurement Data System-Next Generation (FPDS-NG)</div> <div>Past Performance Information Retrieval System (PPIRS)</div> <div>Joint Contingency Contracting System (JCCS)</div> <div>Synchronized Predeployment and Operational Tracker (SPOT)</div> <div>Standard Procurement System (SPS)</div> <div>Wide Area Workflow (WAWF)</div> <div>Fully Implemented</div> <div>None</div>																																				
Objectives																																					
<p>Streamline and reduce complexities of the process touch points between DoD and suppliers</p> <p>Adopt standard business processes, rules, data and interoperable systems across DoD to ensure reliable and accurate delivery of acceptable goods and services</p>																																					
Changes since the March 2008 Congressional Report																																					
<p>There have been a number of changes to CSE's programs and activities list. A major change was that the FedTeDS program migrated to the FBO program. The CSE programs: Contractor Performance Assessment Reporting System (CPARS), Excluded Parties List System (EPLS), Online Representations and Certifications Assessment (ORCA) and Wage Determination-Online (WDOL) have been fully implemented and removed from this report. Federal IAE's transformational programs are no longer represented as a portfolio of systems, but are broken out individually (CCR, eSRS, FBO, FedReg, FPDS-NG and PPIRS). Finally, the Creation of Miscellaneous Payment Guidebook was completed and the In-Theater Procure-to-Pay activity was added.</p>	<div>FY07-FY09 Budget Summary</div> <div><table><thead><tr><th>Program</th><th>FY07</th><th>FY08</th><th>FY09</th></tr></thead><tbody><tr><td>WAWF</td><td>15.8</td><td>9.8</td><td>22.9</td></tr><tr><td>SPS</td><td>37.8</td><td>42.9</td><td>41.3</td></tr><tr><td>SPOT</td><td>16.6</td><td>5.8</td><td>5.0</td></tr><tr><td>PPIRS</td><td>1.5</td><td>2.0</td><td>2.0</td></tr><tr><td>EDA</td><td>9.2</td><td>3.5</td><td>4.4</td></tr><tr><td>DoD EMALL</td><td>10.6</td><td>3.3</td><td>3.6</td></tr><tr><td>CCR</td><td>2.9</td><td></td><td></td></tr><tr><td>Total</td><td>\$94.4M</td><td>\$67.3M</td><td>\$79.2M</td></tr></tbody></table></div> <div><p>SPOT – Program is currently funded with Global War on Terror (GWOT) funds via Army Materiel Command.</p><p>JCCS – Program is currently funded with GWOT Funds and from within the BTA operating budget.</p><p>CCR, eSRS, FBO, FedReg, FedTeDS, FPDS-NG and PPIRS receive federal funds to support the program. They are part of the President's E-Gov initiative and are funded through contributions from multiple federal agencies. Office of Management and Budget (OMB) determines the yearly contribution level for DoD via the passback and this is then provided to GSA (the IAE managing partner). The amounts identified for these programs are not all reflected in the FY08-FY09 DoD PB09.</p></div>	Program	FY07	FY08	FY09	WAWF	15.8	9.8	22.9	SPS	37.8	42.9	41.3	SPOT	16.6	5.8	5.0	PPIRS	1.5	2.0	2.0	EDA	9.2	3.5	4.4	DoD EMALL	10.6	3.3	3.6	CCR	2.9			Total	\$94.4M	\$67.3M	\$79.2M
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CSE Milestone Summary



Synchronized Pre-Deployment and Operational Tracker (SPOT): Coordinating Contractors Accompanying the Force (CAF)

The National Defense Authorization Act for FY05 required the Department of Defense (DoD) to account for all contractor personnel performing duties within the U.S. Central Command (CENTCOM) Area of Responsibility (AOR). Faced with incompatible data standards for contingency contractors, DoD was forced to undertake this task manually each quarter. In Q2 FY07, the Office of the Secretary of Defense designated Synchronized Predeployment and Operational Tracker (SPOT) as the database to serve as the central repository for personnel and contract capability on all Contractors Accompanying the Force (CAF) and the Business Transformation Agency (BTA) adopted it as an enterprise system.

SPOT standardized and automated processes and procedures for inputting and updating company, contract and contingency contractor employee data into a centralized repository, which can be leveraged for planning, reporting, visibility and accountability. More than 2,000 companies, 3,500 contracts and 135,000 contractor records are currently in SPOT. In addition, the SPOT Team has addressed the DoD mandate to issue a standard Letter of Authorization (LOA) as the credential for individual contractors to carry in theater by incorporating information stored in the repository with theater-specific information to create a single, automated, digitally signed, bar-coded LOA format. Fully operational, the SPOT LOA is rapidly replacing the patchwork of manually-generated, easily forged, multiple formats of paper LOAs.

Continuing the SPOT Team's vision of using automation to collect reliable information, more quickly, with fewer resources they developed the Joint Asset Movement Management System (JAMMS) by repurposing existing DoD hardware and software. JAMMS technology scans the barcodes on identity credentials, e.g., SPOT-generated LOAs and Common Access Cards (CACs) and matches it with a specific location and date/time stamp. These transactions are uploaded to SPOT and matched to individual records. JAMMS workstations are located at population chokepoints in the AOR, e.g., dining facilities and ports of debarkation. Currently, over one million JAMMS scans are uploaded into the SPOT database weekly. This SPOT initiative furnishes a giant leap in visibility to CENTCOM and has already been used to find several persons who could not otherwise be contacted or located.



Materiel Visibility Definition and Goal

Materiel Visibility (MV) is defined as the ability to locate and account for materiel assets and their condition throughout their lifecycles and provide transaction and management visibility across logistics systems in support of the joint warfighting mission.

Materiel Visibility provides users with timely and accurate information on the identity, location, movement, status and condition of unit equipment, materiel and supplies, greatly improving overall supply chain performance. The MV Business Enterprise Priority (BEP) improves the effectiveness and efficiency of warfighting capability for the warfighter as measured in terms of responsiveness, reliability, sustainability, effectiveness and flexibility.

Strategy for Materiel Visibility.

Achieving improved Materiel Visibility requires integrating new technology tools through improved business processes, enhanced data quality and accessibility and conversion to modern data exchange standard formats to provide the warfighter with timely, accurate and actionable information on the identity, location, movement, status and condition of unit equipment, materiel and supplies.

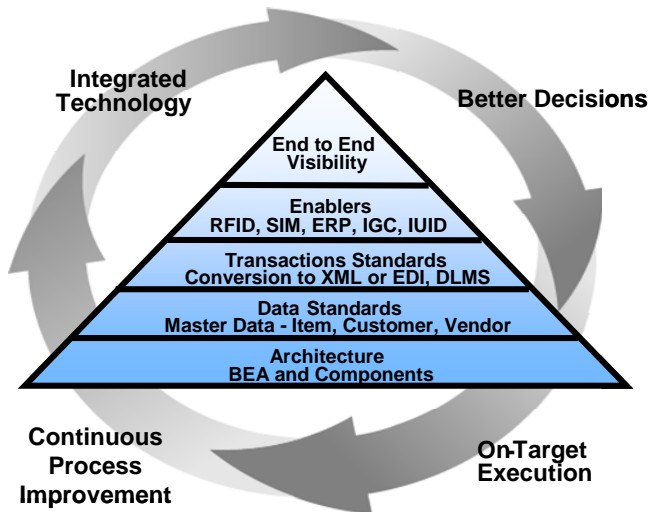


Figure 3-26: MV Strategy

The foundation for the MV Strategy, outlined in Figure 3-26, is improved business processes derived from an established set of basic supply chain functions; Plan, Source, Make, Deliver and Return and is articulated through the Business Enterprise Architecture (BEA). These business activities and processes rely on accurate data so there is a need to improve the accessibility, quality, exchange and integrity of common standard data. For MV, the majority of transformational activities are occurring at the Component level, but several of these key Enterprise-level initiatives cut across Component boundaries.

Tools are being developed to access and manage standardized sets of trusted and centrally accessible logistics master data on DoD items, vendors and customers. These will enable increased synchronization to ensure that accurate information is visible, available and usable when needed and where needed. Improved data accessibility will facilitate the DoD logistics community's ability to manage logistics requirements and decision making. To effectively exchange data, DoD logistics trading partners are implementing and converting from legacy Military Logistics Standard (MILS) to more flexible and extensible data interchange transaction standards based on Commercial Electronic Data Interchange (EDI) or

MV

OBJECTIVES

- Transform the Department's supply chain information environment by improving data integrity and visibility
- Improve the Department's ability to move supply chain data across the Enterprise by reducing complexity and minimizing variability of business transactions
- Improve process efficiency of ordering, shipping, receiving and inventory management by enabling hands-off processing of materiel transactions
- Uniquely identify property and materiel to improve the timely and seamless flow of materiel in support of deployed forces, improve asset visibility across the Department and improve inventory management

Programs and Activities Enabling MV:

- MILS to EDI or XML
- IUID
- RFID



Extensible Markup Language (XML) formats. Data and transaction standards complement Components' Enterprise Resource Planning (ERP) systems as well as enablers like Item Unique Identification (IUID) and the Radio Frequency Identification (RFID) Infrastructure, which enable Asset Lifecycle Visibility and In-Transit Visibility (ITV), respectively.

The RFID program is the bedrock for the DoD's AIT supply chain transformation. RFID implementation will facilitate a fully integrated, adaptive supply chain by leveraging state-of-the-art technologies and advanced management information systems. DoD's business capabilities will be improved by automating routine functions and achieving accurate, timely in-transit, in-storage and in-repair asset visibility. In short, RFID will enable a single, seamless, responsive enterprise system linked to the source of supply and capable of responding to exigent requirements at optimal speed and using the most efficient means.

Additional enablers include the use of Serialized Item Management (SIM) that uses IUID and relational database technologies to manage items at the unique item level in order to optimize sustainment of weapons systems and equipment and reduce lifecycle costs. Along with these new visibility tools, Components and Agencies will have access to the defense supply chain, logistics, transportation and distribution related data, through initiatives such as the convergence of Defense Logistics Agency (DLA's) Integrated Data Environment (IDE) and USTRANSCOM's Global Transportation Network (GTN) Convergence, entitled "IGC." Access will be available through the development of tools that integrate data within and between trading partners; ensure consistent sharing of common, authoritative logistics data and business rules; and provide reliable information for the DoD Logistics Community.

Together these emerging technology tools will enable efficient and effective exchange of logistics data across the supply chain. The result is a cohesive solution to access logistics information when it is needed and where it is needed to provide increased end-to-end visibility of supply chain activities across the global DoD Enterprise. This will lead to improved execution, more flexible and effective utilization of resources to provide responsive and reliable logistics support to the warfighter. The resulting environment will facilitate application of Continuous Process Improvement measures, based on realistic data, to evaluate and identify additional areas for DoD supply chain performance improvement.

Business Capabilities and Program Mapping

The following table illustrates how the architecture forms a basis for the strategy diagram in Figure 3-26 linking the strategic initiatives to their related business capabilities contained in Version 5.0 of the BEA. As described in the March 2008 Congressional Report, these capabilities are improved and made common throughout the Department's logistics business enterprise through tiered accountability. Component architectures contain the detailed activities for performing logistics transactions and are linked to the BEA to support transformation initiatives, strategic decision making and information sharing. This means that the development at the Enterprise and Component level of the strategic initiatives and other elements in Figure 3-26 is integral to the provision of end-to-end visibility to decision makers at the highest levels in DoD.

Business Capabilities	MILS to EDI or XML	IUID	RFID
Deliver Property and Forces	•		•
Dispose or Return Property and Material	•	•	
Perform Asset Accountability	•	•	•
Perform Build and Make and Maintenance and Sustainment		•	



This table shows the relationship between Business Capabilities and the improvements that have been enabled by MV initiatives.

Business Capability Improvements	
Capability: Deliver Property and Forces	
Establish an Automated Identification Technology infrastructure to improve visibility at all nodes in the supply chain.	
Implement flexible and extensible transaction standards to enable the transmission of information across the supply chain.	
Capability: Dispose or Return Property and Material	
Implement flexible and extensible transaction standards to enable property return and disposal.	
Establish business rules to enable efficient and effective lifecycle tracking from acquisition through repair to disposal.	
Capability: Perform Asset Accountability	
Establish a common, widely accepted item marking and registration process to facilitate asset accountability.	
Establish an Automated Identification Technology infrastructure to improve visibility at all nodes in the supply chain.	
Implement flexible and extensible transaction standards to enable the transmission of information across the supply chain.	
Capability: Perform Build and Make and Maintenance and Sustainment	
Establish business rules to enable efficient and effective lifecycle tracking from acquisition through repair to disposal.	
Improve visibility of legacy personal property in inventory and operational use to track condition, location and status to support improvements in Maintenance and Sustainment processes.	

Business Capability Metrics

Metric: Perform Asset Accountability, Deliver Property and Forces

Active RFID facilitates provision of asset accountability and the efficient delivery of property and forces business capabilities. Today's Commanders and their logisticians have the tools to see inside the Defense Transportation System (DTS) and track their supplies from shipment origin to delivery destination. At no time in military history has the pipeline been so transparent to the warfighter. There are currently over 4,000 read-and-write stations in the DoD's ITV network, tracking an average of 35,000 RFID-tagged shipments a day through more than 30 countries. Within the past 5 years, the Combatant Commands (COCOMs), Military Services and combat support agencies have leveraged technological advances in RFID and wireless communications to improve data quality and partially fill the asset visibility gaps that have remained a challenge for the warfighter. The RFID metric is managed by the office of the Deputy Under Secretary of Defense (DUSD) Logistics and Material Readiness (L&MR) Supply Chain Integration Office (SCI). This office works to implement both active RFID to track consolidated shipments overseas and passive RFID to optimize the supply chain to take maximum advantage of this key enabler. Figure 3-27 represents active RFID utilization and is measured quarterly.



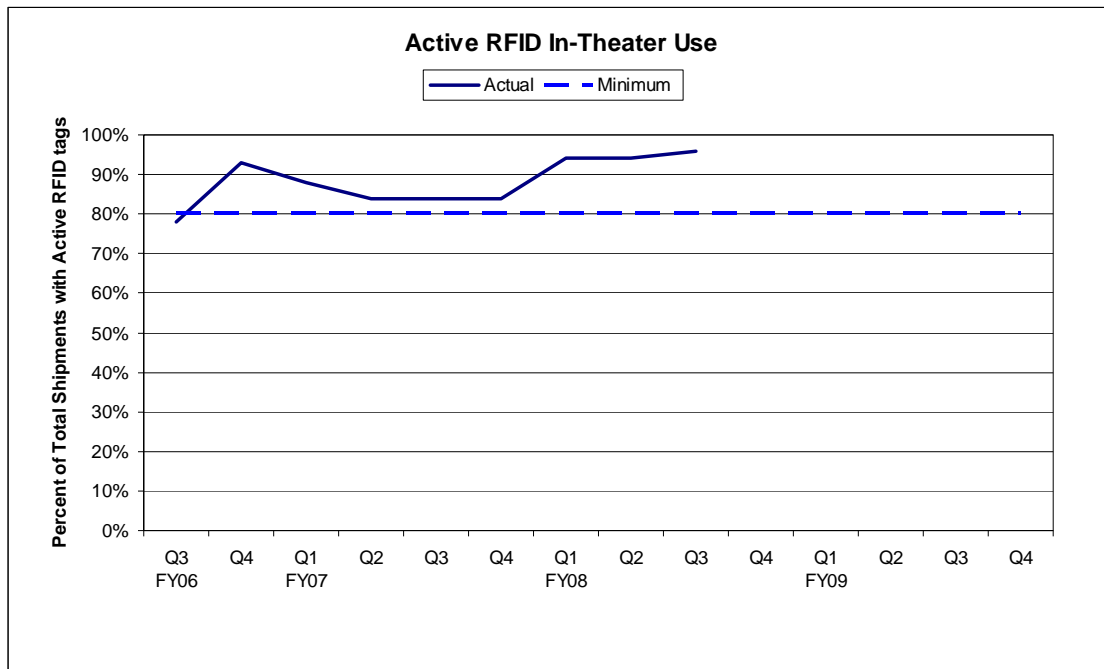


Figure 3-27: Providing Visibility of Consolidated Shipments through the Use of Active RFID tags

The results in Figure 3-27 show continued successful use of active RFID tags to track and provide visibility to US Central Command (CENTCOM) Commanders of the status of their critical supply shipments into their area of operation. Active RFID tags employ their own internal power source, which can power their circuits and broadcast a signal to the RFID reader from a distance of up to 300 feet. There was an earlier spike in this metric in Q4 FY06 due to the implementation of this new capability and a lack of clear baseline. The measurement rules have been refined and now show that the number of shipments being tracked with active RFID tags remains consistently above the expected performance of 80%. These results depict that DoD and Coalition Partners (including multi-national forces and NATO) are executing and continue to improve their capability to report on location, condition and security of supplies, equipment and forces. Additionally, this metric shows how the deployed forces are supporting transformation by utilizing RFID in support of an end-to-end integrated environment.

Transformational Activities

Serialized Item Management (SIM)—SIM for materiel maintenance, codified by Department of Defense Instruction (DoDI) 4151.19, is a Military Services program, which is currently in the process of implementation. It uses IUID and relational database technologies to manage items at the unique item level in order to optimize sustainment of weapons systems and equipment and reduce lifecycle costs. SIM is fundamental to improved maintenance and weapon system total lifecycle management. By applying Continuous Process Improvement methods, the item managers (IM) and program managers (PM) can identify and arrange the right elements within their materiel readiness value stream for the right amount of readiness and the right times. Subsequently, all of DoD's logistics functions can be potentially impacted by this new materiel maintenance paradigm of IUID-enabled SIM as these currently separate functions evolve into a true, single enterprise system.

The objective for SIM is to provide enough data about an item to improve its operational effectiveness and cost efficiency. This data consists of an item's design ("as-designed" attributes), manufacturing ("as-built" attributes), procurement ("as-delivered" attributes), maintenance ("as-maintained" attributes), as well as other logistics and operational data. This data characterizes the differences between seemingly like items and consists of the management of unique items by their specific attributes. Attributes can be any quantifiable measure of performance, time, space, composition, environment, pedigree and cost, or other definable data, such as historical, contractual or ownership information associations.



As a consequence of these improvement programs and initiatives, weapon system readiness, reliability and safety can be increased; moreover, ownership cost can be reduced at the same time through enhanced and more efficient sustainment operations and management. But rather than develop single approaches that essentially isolate items from the common enterprise and business processes, requiring separate management systems, SIM provides a common approach for Enterprise-wide management of any item, regardless of its information or management requirements. IUID expands the spectrum of parts, items and systems that can be entered into SIM programs for improvement purposes, which in turn provides best readiness at best cost.

Near-Term Plans:

In 2Q FY09 the Military Services are required to develop and begin the execution of broad-based SIM programs that make data about specific items, unique within their respective total populations, readily available for lifecycle management. This facilitates the advanced management functions of materiel readiness programs, such as the following:

- **Total Life Cycle System Management (TLCSM)** is the implementation, management and oversight, by the designated PM, of all activities associated with the acquisition, development, production, fielding, sustainment and disposal of a DoD weapon system across its lifecycle. Through TLCSM, DoD will improve readiness while achieving greater cost efficiency throughout the total lifecycle of its weapon systems and equipment.
- **Reliability-Centered Maintenance (RCM)** is an industrial improvement approach focused on identifying and establishing the operational, maintenance and capital improvement policies that will manage the risks of equipment failure most effectively. RCM techniques have proven to provide increased readiness, safety and sustained capability for DoD weapon systems and equipment. RCM is optimized via unique item visibility captured through IUID-enabled SIM.
- **Condition Based Maintenance Plus (CBM+)** establishes the use of operational data derived from platform monitoring and diagnostic technologies for the purpose of predicting and scheduling maintenance actions. CBM+ is codified in DoDI 4151.22 and specifies that changes are necessary within current logistics and business processes in order to garner optimal benefits. These changes will facilitate full automation of certain supply and maintenance procedures and transactions as weapon systems become capable of rendering accurate self-diagnosis and then request appropriate parts and repair actions. Implementation of CBM+ earns benefits in reduced weapon system downtime through more specific but less frequent maintenance actions.
- **Accurate configuration management (CM)** is required to effectively manage assets throughout their lifecycles. IUID-enabled SIM provides visibility at and into the critical points of configuration (e.g., manufacture, assembly, repair, modification) and operational use. Through IUID-enabled SIM, CM becomes an integral part of the data management process for configured items. Benefits range to optimization of RCM and CBM+ programs to reduced maintenance requirements through accurate identification of components to their associated tech data. Safety is enhanced through accurate accounting of embedded items affected by product recalls and inspections.
- **Advanced maintenance management (MM)** is essential to transforming sustainment processes and increasing materiel readiness. IUID-enabled SIM facilitates high degrees of automation in materiel processes as well as extremely accurate technical data access, which is needed for today and tomorrow's maintenance information processes. Even small increases in maintenance productivity produce significant benefits in support costs and weapon system/equipment readiness.

As SIM is implemented it will incrementally increase the percentage of IUID tracked items managed by their unique characteristics and attributes. Consequently, SIM implementation facilitates the development and implementation of more accurate asset visibility processes within the logistics and business information systems. The schedule and milestones for SIM implementation are contingent on the current (in-progress) development and submittal to the Office of the Secretary of Defense (OSD) of the Military Service SIM program plans scheduled for Q2 FY09.



Web-enabled Supply Discrepancy Reporting (WebSDR) – WebSDR enables the analysis of historical supplier discrepancies to determine appropriate actions to improve future customer satisfaction. The automation of SDR provides automated reporting, follow-up and tracking of supply discrepancies across the enterprise.

Accomplishments/Capabilities Delivered:

- The automation of Supply Discrepancies is a significant process improvement. The increased number of SDR submissions provides improved visibility into problem areas and enables the Department's ability to analyze the causes and effects (e.g., delays at a specific site, inaccurate submission, etc.) and take action to resolve issues for customers. The initiative integrates and standardizes existing pockets of SDR automation and provides web entry capability to those Components that previously had no automated SDR capability. By creating a paperless review of SDRs, the initiative allows SDRs to be worked more rapidly and efficiently. Additionally, the database provides knowledge on what types and where mistakes are made. Armed with this data and the analytical tools nearing completion, the Components will be able to assess what types of remedial actions need to be taken. The corrective actions may be process changes, increased training, new equipment, technology infusion, etc. The Components will know where and what actions to take to reduce the occurrence of future discrepancies, enhancing customer satisfaction and reducing costs.

Department of Defense Activity Address Directory (DoDAAD) Reengineering - The DoDAAD reengineering enables a modernized architecture for customer master data, access to addresses real-time with web update capability and improves access to better quality customer address data.

Accomplishments/Capabilities Delivered:

The DoDAAD reengineering is complete and tracks 300K active DoD Address Activity Code (DoDAACs) with 120 data elements associated with each. Every shipment by Vendors, DoD and General Services Administration (GSA) to every customer is dependent on the DoDAAD. The Department anticipates that the DoDAAD Reengineering will provide real-time data update and access translating to the following:

- Current, accurate and consistent data available 24/7 (near real-time)
- Fewer discrepant or frustrated shipments due to inaccurate or out of date addresses

Military Assistance Program Address Directory (MAPAD) Reengineering - The MAPAD is published by direction of the DUSD (L&MR) under authority of DoD Directive 4140.1, Materiel Management Policy. The directory contains the address of country representatives, freight forwarders and customers-within-country required for releasing Foreign Military Sales (FMS) and Military Assistance Program (MAP) Grant Aid shipments and addresses required for forwarding of related documentation.

Accomplishments/Capabilities Delivered:

- The MAPAD reengineering is scheduled for completion in the Q4 FY08. The DoDAAD and MAPAD reengineering initiatives collectively will provide more accurate real real-time data updates and access to these essential customer master databases. Collectively, the DoDAAD and MAPAD are used by all shippers. The implementation of these reengineered data bases will reduce discrepant and/or frustrated shipments, returns and reordering of material, lowering logistics systems costs and improving customer satisfaction.



Materiel Visibility Programs

Transition from MILS to EDI or XML (MILS to EDI or XML)

Description

Facilitate DoD-directed migration of Military Logistics Standard (MILS) transactions to Defense Logistics Management System (DLMS) transactions, also known as Electronic Data Interchange (EDI) or Extensible Markup Language (XML) variable length transactions. It is aimed at implementing an Internet transaction standard and the use of commercial variable length standards, thereby directing the elimination of MILS.

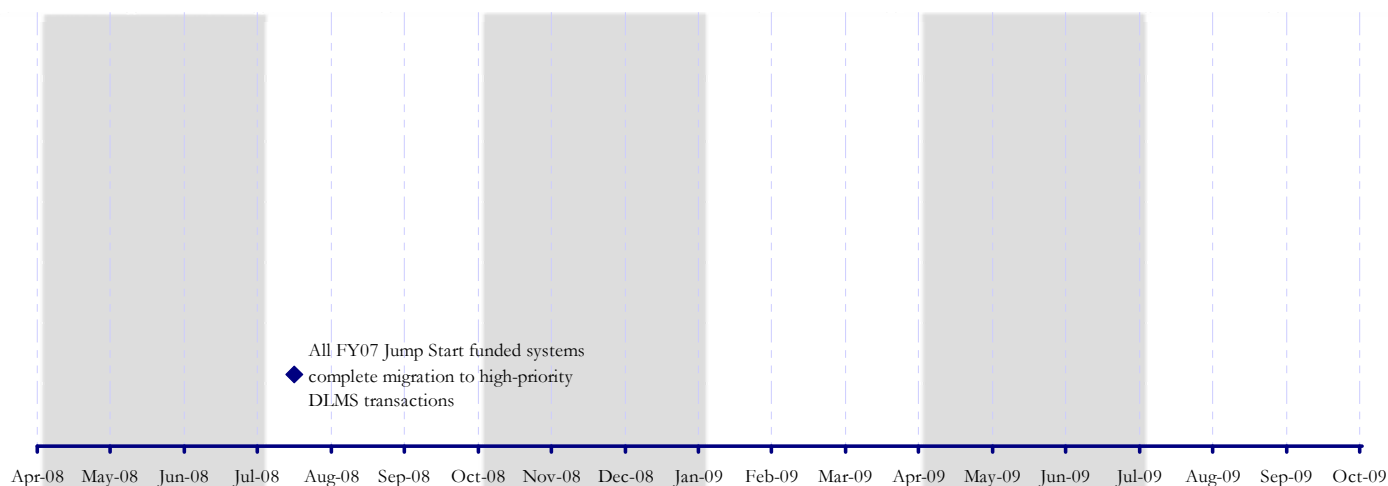
Approach

- Defense Logistics Agency (DLA) will provide to the Department the additional functionality by providing more current versions of standard variable length exchanges (e.g. Advance Shipping Notice) with Radio Frequency Identification (RFID), Item Unique Identification (IUID) and Standard Financial Information Structure (SFIS) content.
- DLMS transactions have been prioritized into groups that enable the Components to migrate to DLMS through a phased approach.
- Efforts focus on migration from high to low priority transitions where the high priority transactions carry RFID and IUID data, medium priority transactions meet SFIS requirements and low priority transactions consist of the remaining DLMS.
- Component initiatives support extension of RFID/IUID content to forward edge of battlefield.

Benefits

- Improves the DoD end-to-end distribution system.
- Enhances the responsive, affordable and time-sensitive distribution services provided across DoD.
- Allows visibility of materiel throughout the acquisition, storage, maintenance, distribution, transportation and disposal cycle.
- Allows transmission of information among systems and organizations at a rate and with a level of detail currently not possible with the 80-character limited MILS interface formats.
- Improves Total Asset Visibility by enabling near-term implementation of IUID and RFID by existing legacy systems.
- Enables Standard Financial Information Structure (SFIS) "Family" of IUIDs.

Timeline Diagram



Initiatives Do Not Include Legacy Migrations



Transition from MILS to EDI or XML (MILS to EDI or XML)

Accomplishments/Capabilities Delivered:

- As of Q4 FY08, six systems completed the migration of legacy systems to DLMS. The DLMS provides near term support of IUID and RFID and a flexible data exchange that allows for unlimited expansion of information exchanged between trading partner systems.
- Complete DLMS implementation by Distribution Standard System (DSS) and DLA's Enterprise Business System (EBS).
- As of Q4 FY08, a third of all DoD Logistics transactions have migrated to the DLMS format.
- Logistics Modernization Program (LMP) completed migration to DLMS in Q4 FY08
- Significant increase in DLMS processing in two years: 16.5M transactions processed in Q3 FY06, increased to 40M transactions in Q2 FY08. The new transactions provide the ability to send and receive data that warfighters need for materiel visibility across the supply chain.
- Q4 FY08 Air Force, Navy and USMC all have legacy systems migrating some transactions to DLMS.
- Defense Logistics Management Standards Office (DLMSO) has trained over 300 Component and DFAS personnel on the DLMS via eight training classes. The training is part of the DLMS implementation that will enable the Department to provide an enhanced data exchange capability to support other transformation initiatives and interoperability among DoD systems.

Near-Term Plans:

While there are no measurable near term plans for MILS to EDI or XML in FY09, the focus in the near term continues to be supporting other transformational initiatives such as RFID and IUID by providing the transactional infrastructure necessary to pass critical supply chain data between systems. This enables the Department to support the long range goal of flexible data exchange that allows for unlimited expansion of information exchanged between trading partner systems.

System Metrics

DLMS Migration: Enabling the warfighter to Manage Assets and Information

In order to support the warfighter, DoD must be successful in the effective and efficient delivery of property and forces, disposal and retrograde of property/materiel and maintain visibility of assets as they make their way through the supply chain. Currently, the Legacy MILS fixed length records are inhibiting progress of the DoD logistics systems to support new technical and functional data transactions via the Internet. The DLMS Migration initiative enables DoD to accomplish these capabilities based on the fact that XML and EDI transaction standards will be the core technology for the Internet, enabler for Web services and the basis for all aspects of future computing. Additionally, the initiative allows DoD to adopt commercial best business practices, enables DoD to conduct commercial transactions with Industry, maximizes use of Commercial-Off-the-Shelf (COTS) software and enables business process improvements and systems modernization.

In order to track progress of the migration to MILS to DLMS, the Department is tracking the percentage of EDI/XML transactions that flow through the supply chain as compared to all supply related transactions. The data for this metric is collected by Defense Automatic Addressing System Center (DAASC) and reported monthly for internal DoD tracking. The goal and targets for this metric are set and tracked by Defense Logistics Management Standards Office (DLMSO) and the Defense Transportation Electronic Board (DTEB) annually and reflect December targets. These more flexible formats, maintained under DLMSO, provide an efficient exchange of supply and transportation data facilitating transformation to increasingly streamlined logistics and distribution business processes.



Transition from MILS to EDI or XML (MILS to EDI or XML)

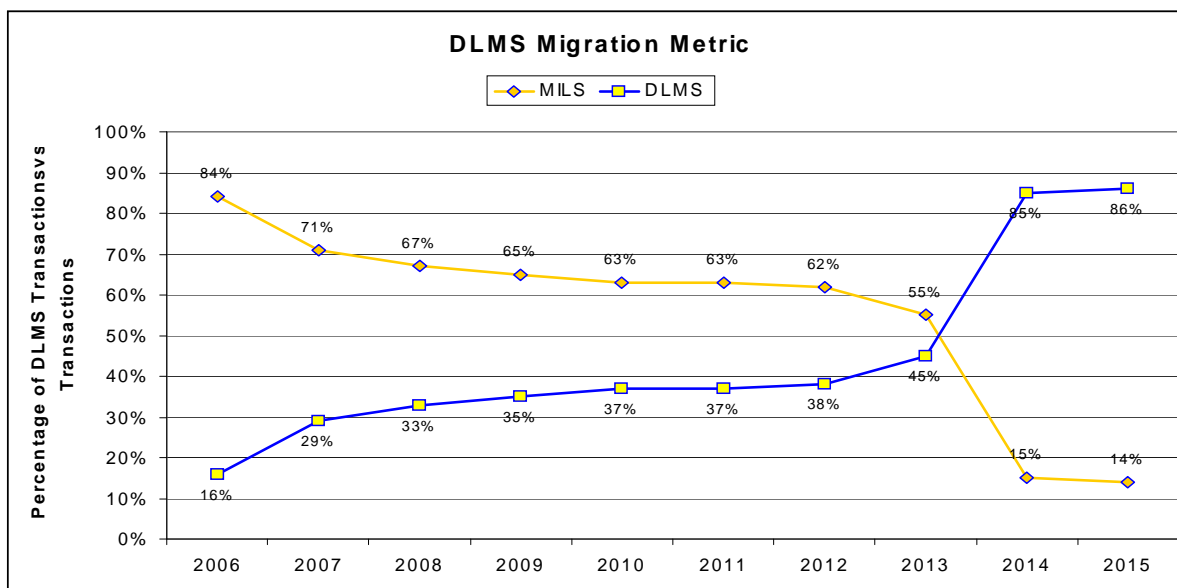


Figure 3-28: DLMS Migration: Enabling the warfighter to manage assets and information

Figure 3-28 shows substantial progress since the inception of the initiative, doubling the percentage of DLMS transaction usage to the point where over 40M transactions per month are now DLMS. Several Component-level programs completed development of these standard transactions in DLMS. The percentages depicted on the chart through 2007 are based on actual volumes; the data beyond 2007 are projections based on the Component system modernization scheduled implementation dates. The end state objective is 100% of all logistics information exchanged among systems utilizing DLMS transactions. The major change in DLMS percentage processed occurs when the Component's ERPs become FOC in the 2014-2015 timeframe. Examples include the Global Combat Support System-Army (GCSS-A), the Air Force Expeditionary Combat Support System (ECSS), Navy's Global Combat Support System (GCSS) and the Global Combat Support System Marine Corps (GCSS-MC). The Components and DLA have already begun to utilize this new data transaction based on ERP implementations and the Services as authorized by DoD Directive 4140.1. This allowed the processing of data needed to facilitate business processes that involve the use of Serialized Item Management (SIM), Automatic Identification Technologies (AIT), such as Radio Frequency Identification (RFID) and Item Unique Identification (IUID).



Item Unique Identification (IUID)**Description**

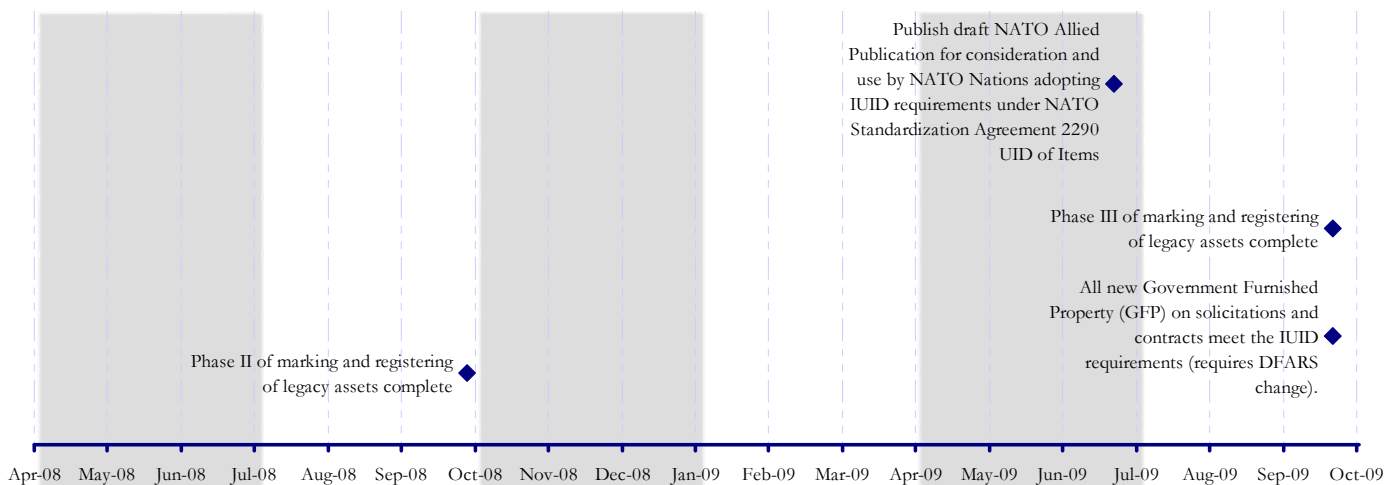
IUID uniquely identifies tangible personal property items. It enables the accurate, timely recording of item pedigree information at a location, during movement, status updates and changes to configurations of equipment, materiel and supplies, to ensure accurate acquisition, repair and deployment of items in an efficient and effective manner.

Approach

- Leverage existing open and internationally recognized part-marking standards in constructing the IUID policy.
- Expand existing policies requiring unique identification.
- Expand functionality of the DoD IUID Registry of Unique Item Identifiers (UII) that enables the association of item data from multiple information systems through globally unique ubiquitous identifiers.
- Effect changes for integration with Plant Clearance Automated Reutilization Screening System, Lost Damaged and Destroyed On-line system and Defense Medical Logistics Support System, Defense Property Accountability System (DPAS) as well as other inventory, property book and maintenance systems.
- Integrate identifiers for SIM items that permit queries which link to responsible data systems by the respective items IUIDs

Benefits

- Provides item visibility regardless of platform or "owner."
- Supplies data for logistics and engineering analysis.
- Provides an accurate source for property and equipment.
- Improves access to historical data for use during systems life of an item.
- Provides better item intelligence for the war fighter for operational planning and execution.
- Reduces workforce burden through efficiencies.
- Enables condition-based maintenance.
- Achieves lower lifecycle cost of item management.

Timeline Diagram

Initiatives Do Not Include Legacy Migrations



Item Unique Identification (IUID)

IUID FY07-FY09 Budget Summary

IUID was not discretely funded in the 2009 President's Budget Congressional Budget Exhibit. The IUID Registry has received \$1.441M for FY09. This funding has been allocated for system enhancements in support of the IUID Registry v4.0 release in FY09.

Accomplishments/Capabilities Delivered:

- Q3 FY08, surpassed 3.7 million items registered, from 1542 contractors of which 602 were small businesses. This will give the department improved capabilities to track and maintain accurate records on the status and value of materiel in DoD and to improve related small business processes.
- Q3 FY08, published DoDI 8320.04, "Item Unique Identification (IUID) Standards for Tangible Personal Property" establishing greater responsibility for Component compliance and infrastructure support.
- Q4 FY08, established conditions for information systems compliance with DoDI 8320.04 (signed June 17, 2008); ensured the successful integration of IUID policy and the IUID Registry into the BEA; and ensured adoption of IUID by the DoD Components through supporting IUID funding requirements. This will provide an increased rate of integration of IUID into DoD business processes and systems allowing increased visibility of assets and associated values.
- Q4 FY08, improved reporting efficiency through leveraging the IUID Registry to eliminate annual paper-based reporting by vendors who manage DoD property enabling DoD to provide more reliable and timely inventory data.
- Q4 FY08, Navy organic depots installed capability to mark personal property items with IUID tags enabling these facilities to mark equipment as part of the repair process thereby improving the efficiency of marking and registering tangible personal property items.

Near-Term Plans:

- Q4 FY08, expand systems interface agreements with existing information systems to gain greater value from the item registration to date and to encourage more rapid adoption and use of the IUID Registry capabilities.
- Q4 FY08, complete Phase II of marking and registering all Legacy assets, or 6.8 million total items in the IUID Registry.
- Q4 FY09, All new Government Furnished Property (GFP) on solicitations and contracts meet the IUID requirements (requires DFARS change).
- Q3 FY09, publish proposed ratification draft North American Treaty Organization (NATO) Allied Publication for consideration and use by NATO nations adopting IUID requirements under NATO Standardization Agreement 2290 "UID of Items." This will allow NATO nations supporting the Combined Joint Task Force to expand the support among the Defense Industrial Base, reduce implementation costs and leverage the IUID technology thus improving support for Coalition partners.
- Q4 FY09, complete Phase III of marking and registering Legacy assets, or 17.7 million total items in the IUID Registry.

System Metrics

IUID Registry: Provides DoD oversight of inventory and operational readiness of equipment and materiel

IUID is a system of marking items delivered to the DoD with unique item identifiers, encoded in machine-readable formats (a two-dimensional barcode) distinguishing an item from all other like and unlike items. IUID remains a key enabler to the Department's asset valuation effort that is ongoing in the acquisition and financial communities. The IUID initiative enables the warfighter and federal managers to make informed



Item Unique Identification (IUID)

decisions as the IUID Registry provides useful, reliable and timely inventory data and improves access to historical data for use during the lifecycle of an item.

The IUID Registry is essentially the central repository for item acquisition cost and UII pedigree data. The business capability of asset accountability is enabled by IUID for uniquely identifying personal property items, by providing reliable and timely inventory data and improving access to historical data during the lifecycle of an item. As each appropriate new and legacy item is marked and registered, the IUID Registry will give the Department improved capabilities to track and maintain accurate records on the status and value of materiel in DoD and to improve related business processes. IUID remains a key enabler to the Department's asset valuation effort that is ongoing in the acquisition and financial communities. The Deputy Under Secretary of Defense for Procurement and Policy (DPAP) performs scorecard reviews of this information with Component input on a quarterly basis.

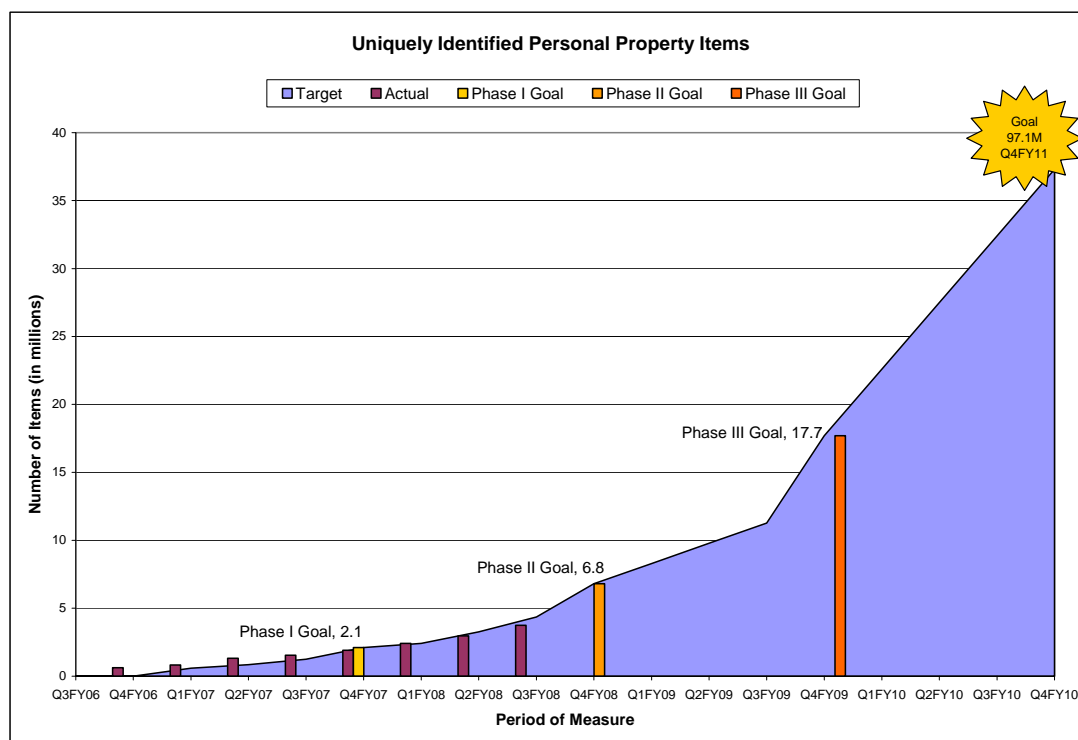


Figure 3-29: IUID Registry: Provides DoD oversight of inventory and operational readiness of equipment and materiel

The results in Figure 3-29 show continued steady progress by the Services and DoD vendors to apply machine-readable IUID compliant marks and register appropriate IUID relevant materiel. According to DoD Instruction 8320.04, the criteria for items to be marked with an IUID are as follows: items with an acquisition cost of over \$5,000; serially-managed items, sensitive, mission essential, or classified items; and property regardless of value with the following attributes: any DoD serially managed subassembly, component, or part embedded with an item; and the parent item that contains the embedded subassembly, component or part.

During the FY10-12 timeframe, DoD will execute the following actions that will account for an increased growth rate to an approximate end-state of 97.1 million items by Q4 FY11. First, as the Components comply with DoDI 8320.04, legacy marking with IUIDs and reporting them to the registry will increase. Second, as WAWF adoption increases, the volume of information being submitted to the IUID Registry will increase. Lastly, Paperless Government Furnished Property (GFP) for Property In Possession of Contractors (PIPC) being reported on DD Form 1662 will end in FY09. Paperless PIPC will begin to enter the registry beginning in FY09 timeframe.



Item Unique Identification (IUID)

The IUID Registry enables DoD to meet MEV goals by establishing granular cost for military equipment, the ability to identify and track each asset, computing the full cost of items and automating the current manual processes. In FY08, the Capital Asset Management System–Military Equipment (CAMS-ME) established an interface with the IUID Registry, which enabled CAMS-ME to begin receiving data from the Component's property Accountable System of Records (ASR), an essential step in automating many of the manual processes currently used for fiscal accounting and physical accountability of military equipment.

The IUID program is the foundation for enabling DoD to reach established goals and objectives by enhancing total asset visibility, improving lifecycle item management and accountability and obtaining clean financial audits. Additionally, the IUID Registry will serve as an acquisition gateway to uniquely identify the item's original owner, initial value, procuring activity and acceptance timing and intersect with other property, financial, logistics, maintenance and inventory management systems.



Radio Frequency Identification (RFID)

Description

RFID is a family of technologies, within the collective suite of Automatic Identification Technology (AIT) applications. RFID plays a vital role in achieving the knowledge-enabled logistic support to the warfighter through fully automated management of assets. RFID enables hands-off processing of materiel transactions, streamlines business processes and allows DoD to reapportion critical manpower resources to warfighting functions.

Approach

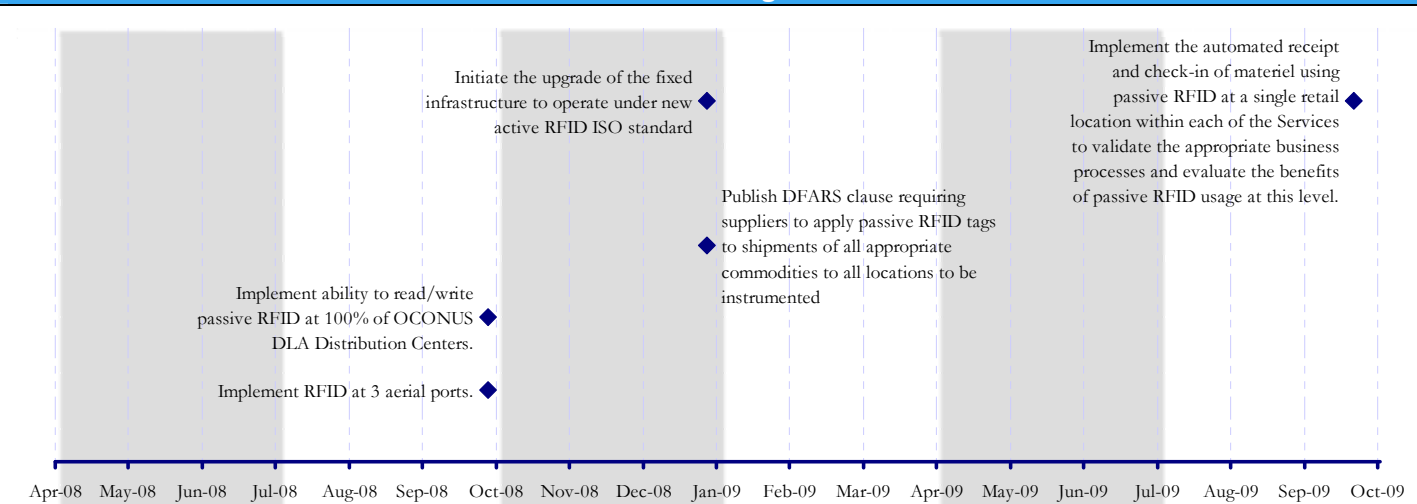
RFID technology is being implemented through a phased approach, applied to both supplier requirements and DoD sites.

- Spiral 1 (FYs 08–09) defines specific, short-term tasks intended for the purpose of accomplishing basic receipt and in-check functions at specified locations. Its intent is to create the momentum needed to fully integrate AIT into a few key business processes, capture results and determine the resulting return on investment (ROI) benefit from leveraging the AIT, which will guide the direction and content of additional tasks for future spirals. It identifies five implementation teams focusing on specific supply chain segments. These teams will provide regularly scheduled reports on their progress, as well as define additional tasks for future spirals.
- Spiral 2 (FYs 10–11) will expand upon the implementation completed during the first spiral, leverage lessons learned and complete additional specific tasks identified in the first spiral.
- Spiral 3 (FYs 12–15) will complete the implementation, realizing the AIT vision presented in the Concept of Operations (CONOPS) by FY15.

Benefits

- Improves visibility of information and assets throughout the DoD supply chain.
- Improves process efficiency of shipping, receiving and inventory management.
- Reduces cycle time.
- Increases warfighter/customer confidence in the reliability of the DoD supply chain.

Timeline Diagram



Initiatives Do Not Include Legacy Migrations



Radio Frequency Identification (RFID)

Accomplishments/Capabilities Delivered:

- Q2 FY08, expanded the passive RFID initiative in Alaska by adding additional RFID portals to enhance the existing passive infrastructure and expand the use of passive RFID within the process.
- Q2 FY08, conducted an analysis of a more cost effective, 'license-plate' active RFID tag comparing performance with the current, data-rich active RFID tag. Analysis yielded a standard definition and identified pre-positioned afloat assets as a possible usage.
- Q2 FY08, conducted an analysis of the value of passive RFID as an additional data point that can be used for more accurate measurement, issue resolution, root cause analysis and continuous process improvement. The analysis showed that the extra data point can help streamline the supply and distribution process.
- Q3 FY08, conducted an initial implementation of active 'license plate' processes at Blount Island, Florida, to save tag writing processing time and test the capability with the ITV server. The Blount Island implementation will serve as a template for expanded use of active license plate tags. Active RFID tags supply the "hands-off" reporting that is required for in transit visibility and eventually will monitor temperature and humidity.
- Q3 FY08, implemented enhanced visibility utilizing passive RFID in the logistics Automated Information Systems (AIS) to enable improved tracking of materiel for the customer.
- Q4 FY08, implemented the use of passive RFID at Hawaii sites to support the Joint Regional Inventory Material Management (JRIMM) process. JRIMM seeks to streamline the storage and distribution of materiel within a given geographic area, in order to eliminate duplicate materiel handling and inventory layers.
- Q4 FY08, continued successful use of active RFID tags to track and provide visibility to CENTCOM commanders of the status of their critical supply shipments into their area of operation.

Near-Term Plans:

- Q4 FY08, implement the ability to read/write passive RFID tags at three aerial ports.
- Q1 FY09, initiate the upgrade of the fixed infrastructure to operate under new Active RFID ISO standard.
- Q1 FY09, publish DFARS clause requiring suppliers to apply passive RFID tags to shipments of all appropriate commodities to all locations to be instrumented
- Q4 FY09, facilitate the automated receipt and check-in of materiel using passive RFID at a single retail location within each of the Services to validate the appropriate business processes and evaluate the benefits of passive RFID usage at this level.

System Metrics

Percent of Distribution Centers and Aerial Ports Able to Read/Write Passive RFID Tags

RFID is an enabler for AIT that can remotely identify, categorize and locate materiel automatically (without human intervention). RFID relies on storing and remotely retrieving data using RFID hardware (RF tags-passive/active, Interrogators, Pre-Deployment Kits (PDK), servers and satellites). DoD is focused on implementing the RFID technology at the Defense Logistics Agency (DLA) distribution depots, aerial ports, CENTCOM, Alaska, COCOMs and other strategic logistics nodes. The RFID network includes over 1.5 million tags located in 30 countries.

Passive RFID (PRFID) is managed by DUSD LM&R, executed by USTRANSCOM in concert with the Components and COCOMs and is measured on a quarterly basis. The importance of measuring this metric is evident in the inherent lifecycle asset management efficiencies that can be realized with integration of PRFID and Advanced Shipping Notices (ASN) s throughout DoD. ASNs inform buyers that goods have been



Radio Frequency Identification (RFID)

shipped so they can be expecting the shipment. The ASN transaction, when coupled with electronic product code-compliant PRFID tags, enables the Department to improve its supply chain processes applied at the case level by suppliers and at the requisition level by the distribution centers. The guidelines for this DoD implementation are outlined in the RFID Policy, signed in July 2004 by the USD(AT&L).

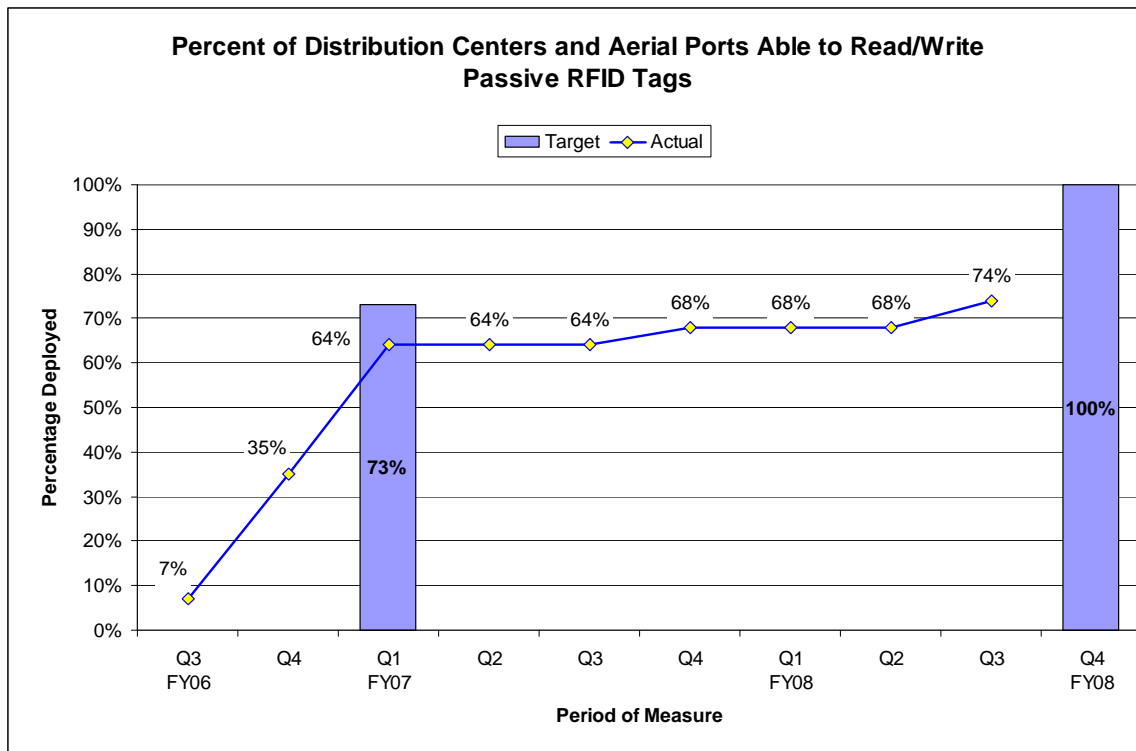


Figure 3-30: Percent of Distribution Centers and Aerial Ports Able to Read/Write Passive RFID tags

The results in Figure 3-30 show continued progress toward the installation of the infrastructure to provide passive RFID tag read/write capabilities at key depots and aerial ports. The target is 100% of key distribution centers and aerial ports RFID-enabled by September 2008. As of the last update to the metric, Q3 FY08, 74% of sites were passive RFID-enabled. As installation continues, these locations will gain efficiencies in the shipping and receiving process through leveraging the hands-off material processing capabilities that passive RFID tags provide. Increased capability to apply and use passive RFID tags will provide more data that can be utilized during Continuous Process Improvement (CPI) activities at each of the outfitted supply nodes. With the publication of the AIT Implementation Plan by USTRANSCOM in March 2008, appropriate Component facilities are being identified for installation of passive RFID Tag read/write capability further expanding the efficiencies and visibility that are enabled by the use of passive RFID tags. The RFID initiative has matured through the execution of the AIT implementation plan, published by the USTRANSCOM in March 2008, which lays out a RFID deployment schedule across the Department. This plan brings the Department closer to more efficient, hands-off shipping and receiving processes.



Cross-BEP and Component Integration

MV continues to work with Common Supplier Engagement (CSE), Acquisition Visibility (AV) and Financial Visibility (FV) to refine requirements for achieving greater end-to-end visibility across the DoD supply chain. The objective is to define common logistics business processes and identify inter-dependent activities, business rules and data elements. The OSD staff and Components are working to streamline end-to-end supply chain processes by combining efforts to integrate data exchange through process and system changes. Below are a few examples of coordination currently occurring to achieve the MV Business Enterprise Priority.

The OSD staff and Components are working to streamline end-to-end supply chain processes by combining efforts to integrate data exchange through process and system changes.

- **IUID Compliance:** The June 2008 publication of DoDI 8320.04, “Item Unique Identification (IUID) Standards for Tangible Personal Property” codified IUID and provides for greater integration of the use of IUID into business processes and information systems to increase value and compliance. As each appropriate new and legacy item is marked and registered, the IUID Registry will give the Department improved capabilities to track and maintain accurate records on the status and value of materiel in DoD and to improve related business processes.
- **IUID Registry and MEV:** An initial step toward the Department meeting Military Equipment Valuation Goals is being accomplished by the interface between the IUID Registry and other automated information systems. The Capital Asset Management System—Military Equipment (CAMS-ME) was developed to maintain and update military equipment valuation data. In FY08, CAMS-ME established an interface with the IUID Registry, which enabled CAMS-ME to begin receiving data from the Components’ Accountable Property Systems of Record (APSR). This is an essential step in automating many of the manual processes currently used for fiscal accounting and physical accountability of military equipment. This will allow the Department to achieve better financial visibility and assert readiness for financial audits.
- **Improving Transportation and Reducing Frustrated Freight -** The Department is working to simplify vendor distribution processes. OSD, USTRANSCOM, GSA and DLA began a collaborative effort to gather information and identify the potential root causes for problems experienced by vendors and customers during the shipment process. DoD, MV and CSE will benefit through increased sharing of information on planned movements of materiel, which will contribute to improvements in distribution responsiveness and accuracy. Target areas were identified as potential causes of this frustrated freight such as hazardous material marking and vendor’s compliance with shipping data and label requirements. Additional coordination continues to be conducted to identify potential opportunities across the doctrine, organization, training, materiel, leadership and education, personnel and facilities (DOTMLPF) spectrum to improve the movement of freight through the defense transportation nodes.
- **Implementation of Wide Area Workflow (WAWF) -** Working with Defense Transportation Policy (TP) and USTRANSCOM to improve the exchange of transportation data between vendors and the defense transportation systems. As more vendors move toward utilization of WAWF to communicate with DoD there is opportunity to capture and relay important data required to improve visibility of materiel flowing through the defense transportation system once it is delivered by the Vendor. The effort encompasses the improvement of data capture and transfer capabilities of WAWF through the use of improved DLMS compliant Standard Transactions.
- **Integrated Data Environment (IDE) and Global Transportation Network (GTN) Convergence (IGC) –** By establishing a new program office, DLA and USTRANSCOM have embarked upon a collaborative effort to provide DoD access to integrated data required for decision support from a single portal. This collaboration will enable the Department to implement a common logistics picture, distribution visibility and improved materiel asset and in-transit visibility. Additionally, it will enable the DoD to have near real-time enterprise access to logistics and transportation data.



- **Data Standards** - The Supply Chain Management (SCM) Data Standards group will lead the initiative to standardize data concepts across acquisition, logistics and financial domains, where data format, business rules and definitions are disparate, to create cross functional enterprise data standards. Key data initiatives include Standard Financial Information Structure, Acquisition Visibility-61, Procurement Data Standards, Real Property Inventory Requirement, Master Data Capacity and the Meta Data Registry, each with a different governance structure. Common data elements across these key data initiatives will be analyzed and compared to identify conflicts and gaps and then provided to the various governance structures to define their lead who, in turn, will define the enterprise standard.

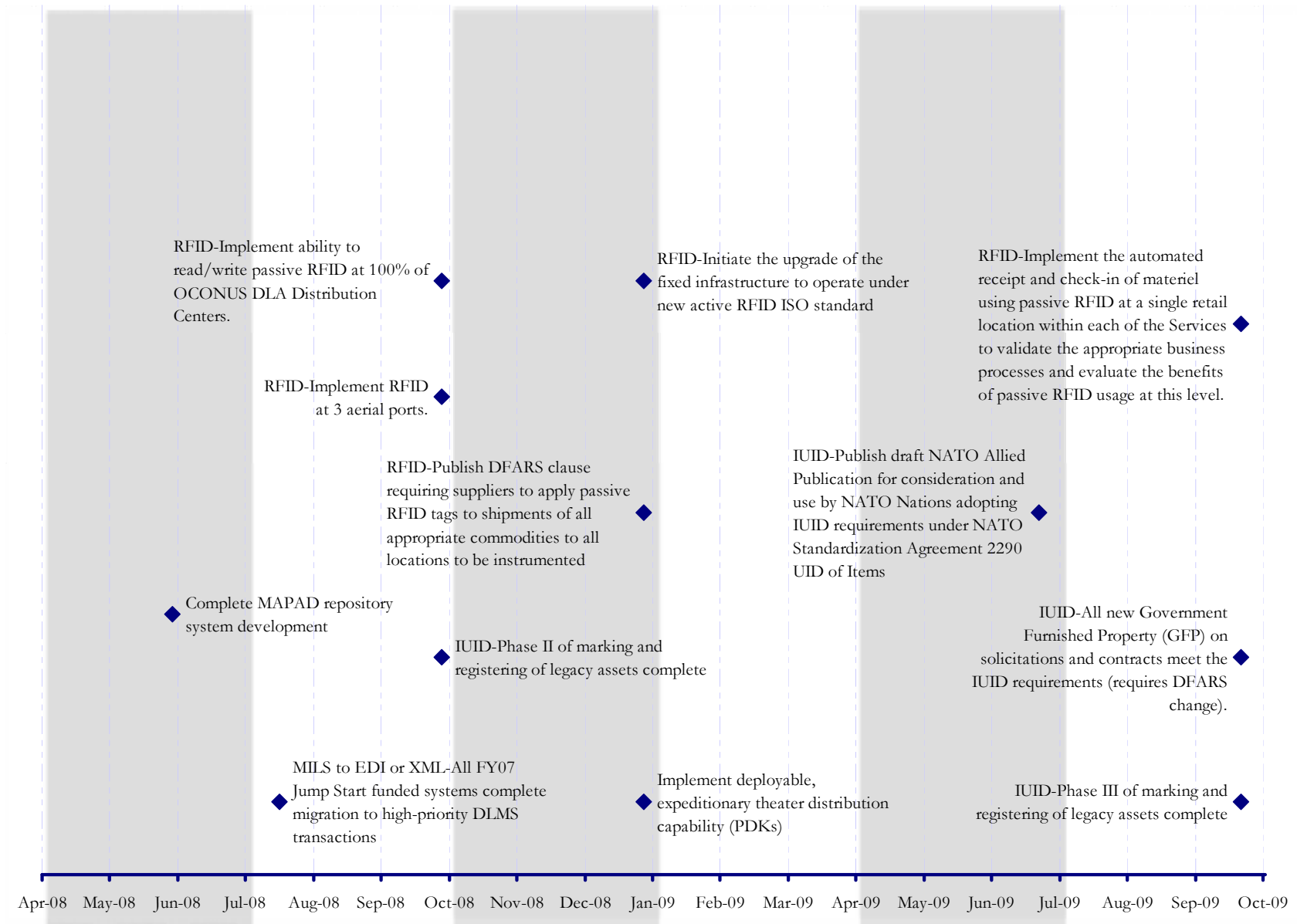


Materiel Visibility Dashboard

Materiel Visibility (MV)	
<p>Materiel Visibility (MV) is defined as the ability to locate and account for materiel assets and their condition throughout their lifecycles and provide transaction and management visibility across logistics systems in support of the joint warfighting mission.</p> <p>Materiel Visibility provides users with timely and accurate information on the identity, location, movement, status and condition of unit equipment, materiel and supplies, greatly improving overall supply chain performance. The MV Business Enterprise Priority improves the effectiveness and efficiency of warfighting capability for the warfighter as measured in terms of responsiveness, reliability, sustainability, effectiveness and flexibility.</p>	Systems & Initiatives
	Transformational
	Item Unique Identification (IUID)
	Transition from MILS to EDI or XML (MILS to EDI or XML)
	Radio Frequency Identification (RFID)
	Fully Implemented
	None
	FY07-FY09 Budget Summary
	The IUID Registry has budgeted \$1.441M for FY09. This budget has been allocated for system enhancements in support of the IUID Registry v4.0 release in FY09. All other initiatives do not have discrete budgets.
Objectives	
<ul style="list-style-type: none"> Transform the Department's supply chain information environment by improving data integrity and visibility Improve the Department's ability to move supply chain data across the Enterprise by reducing complexity and minimizing variability of business transactions Improve process efficiency of ordering, shipping, receiving and inventory management by enabling hands-off processing of materiel transactions Uniquely identify property and materiel to improve the timely and seamless flow of materiel in support of deployed forces, improve asset visibility across the Department and improve inventory management 	
Changes since the March 2008 Congressional Report	
<p>Since the March 2008 ETP, SIM has been added as a focus area for improving MV across the Enterprise</p>	



MV Milestone Summary



Case in Point: Department of Navy Passive RFID Implementation at Oahu, Hawaii

The Under Secretary of Defense Radio Frequency Identification (RFID) Policy, July 30, 2004, directed four DoD Components (Air Force, Army, Navy and Marine Corps) to prepare a supporting plan to implement both active and passive RFID technology at key supply points. The passive RFID implementation at various supply sites in Oahu demonstrates how successful integration at key supply activities provides value at a DoD Component level.

The Navy Automatic Identification Technology (AIT) office has partnered with DLA to provide for the implementation of passive RFID at key Naval logistics support centers as part of Navy's effort to improve asset visibility. DLA has enhanced the shipping process at the Defense Distribution Center Pearl Harbor to apply passive RFID tags on all outgoing shipments to customers (basically a shipping label that contains a computer chip). This computer chip includes a unique number that associates the requisition of assets to a particular shipment (case or pallet). This passive RFID tag number is read by the portal or reader at the Fleet and Industrial Supply Center Pearl Harbor (FISC Pearl) when the case or pallet is moved between the warehouse doors that have been instrumented with the new technology. Once the tags are read, the information is sent to DoD information systems and matched to the requisition number. In doing so, the logisticians who are looking for this freight can now "see" the movement of the materiel in their information systems.

The interesting aspect of the Oahu Navy passive RFID project is that passive RFID tag information is directly linked to business data in the legacy information systems at the FISC Pearl Harbor, giving Pearl Harbor's customers visibility of the precise movement of their requisition. Key consideration was given to the creation of this data connectivity to legacy information systems at a time when the Navy is undergoing a massive Enterprise Resource Planning (ERP) implementation. The passive RFID project will enable the Navy to take advantage of the passive RFID technology now while they wait to transition to the ERP.

The project is built on a foundation of linking critical supply and transportation data to the systems our logisticians use to make critical decisions in support of the deployed Sailors and Marines.

This visibility allows systems analysts and logisticians to track the freight as it makes its way throughout the supply chain and cuts down the time it takes to look for materiel. Key benefits of this visibility are the reduction in duplicate orders, the reduction in searches for lost freight and the notification of receipt for high priority shipments. A significant benefit of this technology is the ability to begin analyzing the gaps in the supply chain. With the passive RFID systems in place, the Navy can observe and understand how well they are working with its supply chain partners and where there are opportunities for improvements. This provides an opportunity to make the changes that will result in reducing customer wait time and eliminating duplicate orders.

In conclusion, RFID is an enabling technology that, combined with refined business processes and improved data movement, will improve the way the Navy does business in the decades ahead. Knowledge sharing will only enhance the application of this technology, expand the initial benefits identified in Oahu and assist in reducing costs. The Oahu implementation was a crucial step for the Navy to move in that direction and the future knowledge gathered will only expedite the potential benefits to the Navy. These benefits are representative of the future benefits to be garnered throughout the Department.



Real Property Accountability Definition and Goal

Real Property Accountability (RPA) provides the warfighter and Core Business Missions (CBM) access to near real-time secure, accurate and reliable information on real property assets and environment, safety and occupational health (ESOH) data.

The Real Property and Installations Lifecycle Management (RPILM) CBM provides the installation assets and services necessary to support our military forces in a cost effective, safe, sustainable and environmentally sound manner.

Strategy for Real Property Accountability

The Real Property Accountability Business Enterprise Priority supports the Under Secretary of Defense (Acquisition, Technology and Logistics) goal of "Capable, Efficient and Cost Effective Installations." RPILM CBM has led planning and implementation of the RPA Business Enterprise Priority by developing and beginning deployment of a suite of business processes, tools and information requirements that are continuously improved and benchmarked to best practices, supporting comprehensive lifecycle asset information.

The Real Property Accountability Business Enterprise Priority strategy is executed through five key initiatives:

- **Real Property Inventory Requirements (RPIR)** are the foundation for achievement of real property efficiencies by standardizing data, systems and processes. **Real Property Acceptance Requirements (RPAR)** and **Real Property Construction In Progress Requirements (RPCIPR)** address accounting and financial aspects of bringing new assets into the Services' real property inventories.
- **Environmental Liabilities Recognition, Valuation and Reporting Requirements (EL)** provide the methodology to correctly value and categorize environmental liabilities so that they can be accurately reported.
- **Hazardous Materials Process Controls and Information Management Requirements (HMPC&IMR)** improves the accuracy and availability of authoritative hazard data, ultimately reducing chemical-related risks throughout the DoD supply chain.

The RPA initiatives have already improved awareness of the importance of accurate inventories, optimized resources and enhanced access to current, accurate real property and ESOH information. Availability of this essential data directly contributes to the Department's business transformation by informing strategic decisions, increasing accountability and reducing costs.

Key to the RPA strategy is the implementation of a service-oriented architecture (SOA). SOA allows multiple systems inside and outside the RPILM communities to access authoritative data in real time. As illustrated in Figure 3-31, the Real Property Unique Identifier Registry (RPUIR) contains information on DoD locations (owned, leased or otherwise managed). With SOA, RPUIR is available for use by other business systems in DoD with a need for location information. This resource will decrease the costs of defense business operations and improve the accuracy of location information across all of DoD. As an example, having an authoritative source for location will enable supply managers to validate the location information within their own information systems before authorizing shipments, rather than finding out too late that a bad address led to an improper delivery.

The groundwork for RPA is nearly complete. Over the past few years, the Department has developed Enterprise-wide capabilities for real property accountability and visibility, environmental liabilities accountability and valuation and hazardous materials operational

RPA

OBJECTIVES

- Deliver consistent real property, environmental liabilities and hazardous materials (Hazmat) information, supported by standard processes and data
- Integrate financial, real property and environmental business practices
- Reduce real property inventory management burdens and inefficiencies
- Provide net-centric data environment that can enable delivery of accurate, real-time integrated data
- Provide a complete inventory of environmental liabilities reconciled with property, plant and equipment records, adequate environmental liabilities (EL) management controls, audit trails, cost estimates and documentation
- Increase Hazmat operational support, protection and control
- Reduce Hazmat-related environmental violations, lost-time incidents and exposure
- Geo-enable location information

Initiatives and Systems Enabling RPA:

- RPIR
- EL
- HMPC & IMR
- RPAR
- RPCIPR
- RPAD
- RPUIR
- HMIRS



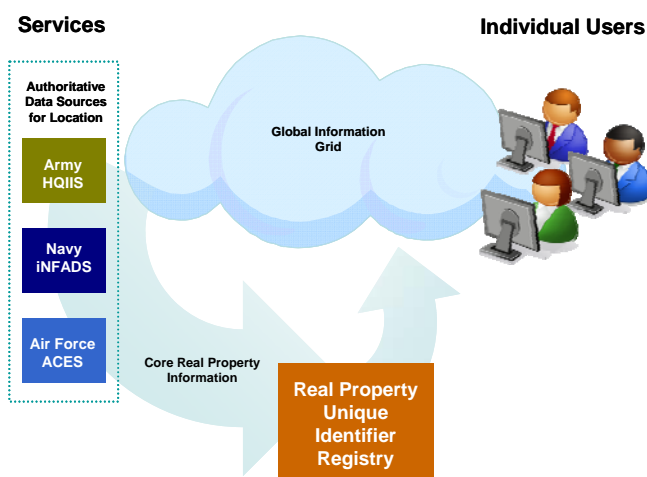


Figure 3-31: Access to Authoritative Location Data

controls. These capabilities are founded on requirements for a common business process model, standard data elements and data definitions, business rules and recommendations for policy changes. The Components are fine-tuning and implementing plans to fully integrate these requirements into their operating environments, as illustrated in the RPA Milestone Summary section at the end of this section.

Business Capabilities and Program Mapping

Business Capabilities define the future capabilities necessary to support the warfighter and direct the Department's business systems modernization efforts toward acquiring those capabilities. Development of these capabilities leads to the implementation of Enterprise-wide systems that provide greater visibility to decision makers at the highest levels in DoD. The following table displays the Business Capabilities that each of the RPA programs will improve based on their mappings to Version 5.0 of the BEA.

Business Capabilities	Initiatives					Systems		
	RPIR	EL	HMPC & IMR	RPAR	RPCIPR	RPAD	RPUIR	HMIRS
Real Property Inventory	•			•	•	•	•	
Environmental Liabilities Identification and Valuation		•						
Real Property Acceptance				•				
Hazardous Materials Process Controls and Information Management			•					•



This table shows the relationship between Business Capabilities and the improvements that have been enabled by RPA programs and initiatives.

Business Capability Improvements
Capability: Real Property Inventory
Resolve issues with incompatible and inaccessible real property inventory information across the Components by implementing real property inventory data standards, data elements and sustainable business processes.
Capability: Environmental Liabilities Identification and Valuation
Resolve material weakness of inability to provide auditable environmental liabilities information by documenting the creation, update, review and approval of the estimated costs to fulfill environmental cleanup, closure and equipment disposal requirements.
Capability: Real Property Acceptance
Develop standard processes for accepting real property into DoD inventory by collaboratively generating requirements for processes and data and update Unified Facilities Criteria (UFC) 1-300-8.
Capability: Hazardous Materials Process Controls and Information Management
Reduce risk to people, property, the environment and mission capability by providing access to authoritative hazard data to enable effective operational control of mission activities.

Business Capability Metrics

Metric: Real Property Inventory

The data population metrics shown in Figure 3-32 demonstrate the progress of the Military Departments in implementing the RPIR concepts and principles, using the data structure and business rules in the BEA. The Departments of the Army and Air Force have achieved 100% of their FY08 targets and the Department of the Navy has exceeded its target by 2% (based upon forecasts).

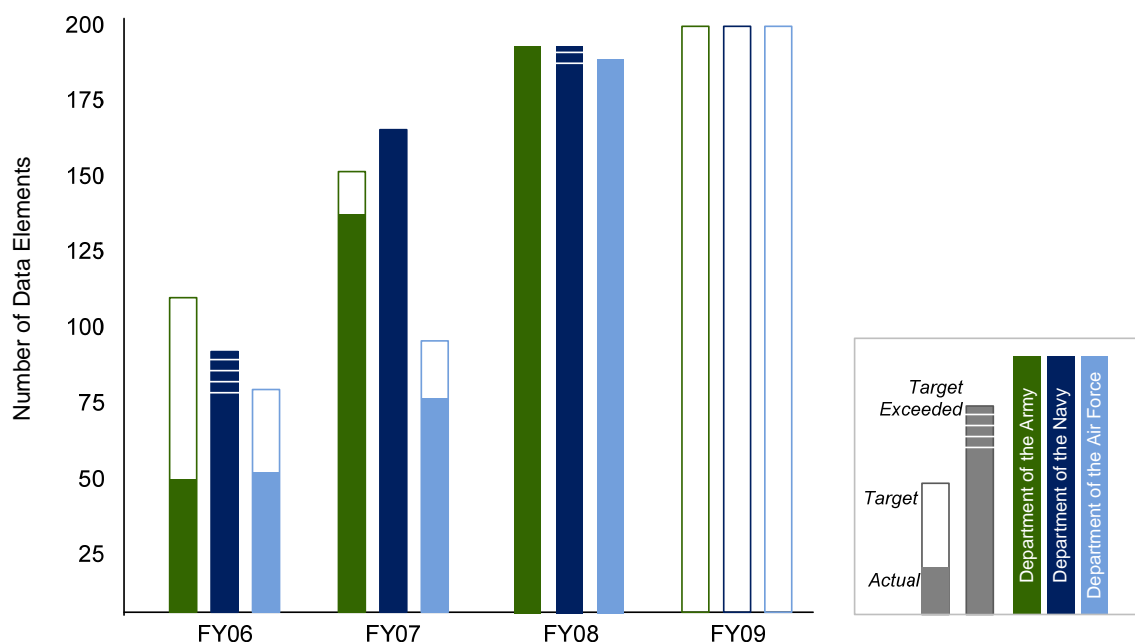


Figure 3-32: Real Property Inventory by Military Department



Achievement of 100% RPIR data population means the Military Departments have a common business language for real property inventory, a significant milestone in the development of interoperability across DoD and the federal government. Implementation of RPIR has streamlined the process of compliance with Executive Order 13327, which requires certain real property data for the Federal Real Property Profile (FRPP). RPIR is consistent with the FRPP, which significantly reduces the Military Services' reporting burden.

Access to accurate, complete data about real property, including its financial, legal and physical aspects, will enhance DoD's ability to successfully manage its real property portfolio, which has an estimated replacement value of \$700B. The real property inventory is the primary input to budget models used to plan spending for maintenance and modernization. With the correct information in hand, DoD will be able to effectively manage funds for defense installation assets, thereby providing support for current and future mission requirements.

Metric: Hazardous Materials Process Controls and Information Management

The metric shown in Figure 3-33 surveys the number of systems that access the regulatory reference data in the Product Hazard Data Master, including the Hazardous Materials Information Resource System. This resource, which adheres to data standards developed collaboratively by the Components, contains information necessary for compliance with Environmental Protection Agency and Occupational Safety and Health Administration regulations.

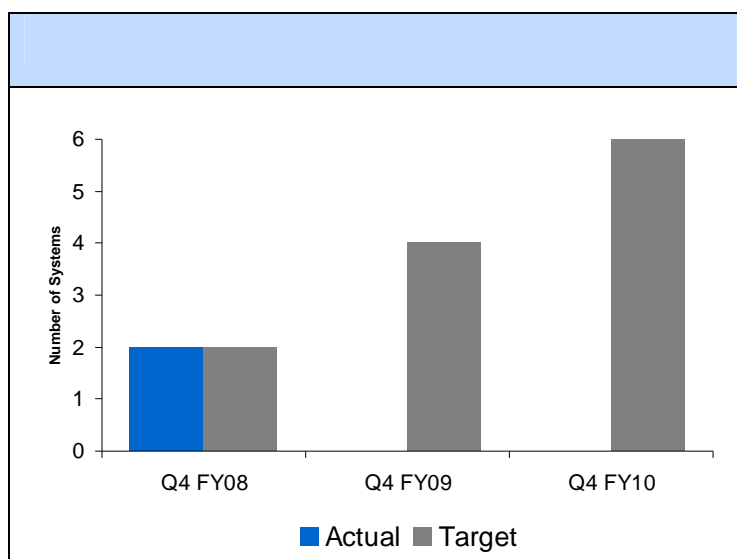


Figure 3-33: Systems Accessing Regulatory Reference Data

DoD currently purchases multiple subscriptions or manually obtains and enters the same data at multiple locations. As systems achieve access to the Product Hazard Data Master, costs for redundant data purchases and data entry will be avoided. The Components estimate, conservatively, cost avoidance across DoD of \$4M per year once all systems use the regulatory reference data in the Product Hazard Data Master. This estimate only includes data maintenance costs; it does not include all the costs DoD would incur for mishaps caused by reliance on inaccurate data.

Transformational Activities

Geo-enable Location Information: This initiative enhances the Real Property Inventory Requirements initiative by integrating geospatial capabilities with traditional real property accountability practices.

Accomplishments/Capabilities Delivered:

- In Q4 FY08, based on Component feedback, refined BEA elements defining location in order to utilize existing and planned geospatial investments.



- Developed a process for geo-enabling the environmental liabilities identification process in Q4 FY08.

Near-Term Plans:

- Release version 3.0 of the Spatial Data Standards for Facilities, Infrastructure and Environment (SDSFIE) to provide implementation support for DoD systems.
- Align SDSFIE with BEA and the National System for Geospatial Intelligence, which will ensure that the Warfighting, Business and Intelligence Mission Areas are using consistent standards for geospatial data.

Enhanced Installations and Environment (I&E) Geospatial Visualization: This initiative seeks to enrich current geospatial visualization by leveraging the net-centric data strategy goals as defined in DoD Directive (DoDD) 8320.2. Enhancements to existing Defense Installation Spatial Data Infrastructure (DISDI) visualization capabilities are required to overcome current limitations in enterprise discovery, access and comprehension of I&E geospatial data assets. This effort will support timely and seamless access to a common set of mapping information and tools, while reducing redundant acquisition of geospatial resources across DoD. Linkages of Component visualization architectures (such as Army Mapper) and capabilities will support a variety of operational requirements, such as Joint Basing, by offering timely and seamless access to a common set of mapping information.

Accomplishments/Capabilities Delivered:

- Developed metadata architecture to enable federated enterprise discovery.
- Delivered Initial Operational Capability (IOC) for Joint Installation Visualization Tool, which will geo-enable planning and decision support for Joint Basing in Q4 FY08.
- Delivered IOC for net-centric interfaces between DISDI and Real Property Inventory in Q4 FY08.

Near-Term Plans:

- Draft guidance to institutionalize standards and goals, which enable the Installation Geographic Information and Services community to implement the Department's net-centric data strategy.



Real Property Accountability Programs

Real Property Inventory Requirements (RPIR)

Description

The Department of Defense (DoD) initiated a business process reengineering (BPR) effort to address DoD's real property inventory processes. The resulting requirements aim to achieve real property efficiencies by standardizing data, systems and processes. Components are required to implement RPIR's sustainable business processes and rules, update relevant policies and modify and populate their Information Technology (IT) systems with RPIR's standard data elements no later than the end of FY09. When complete, DoD will have an authoritative source for location and near real-time access to an accurate inventory of worldwide assets.

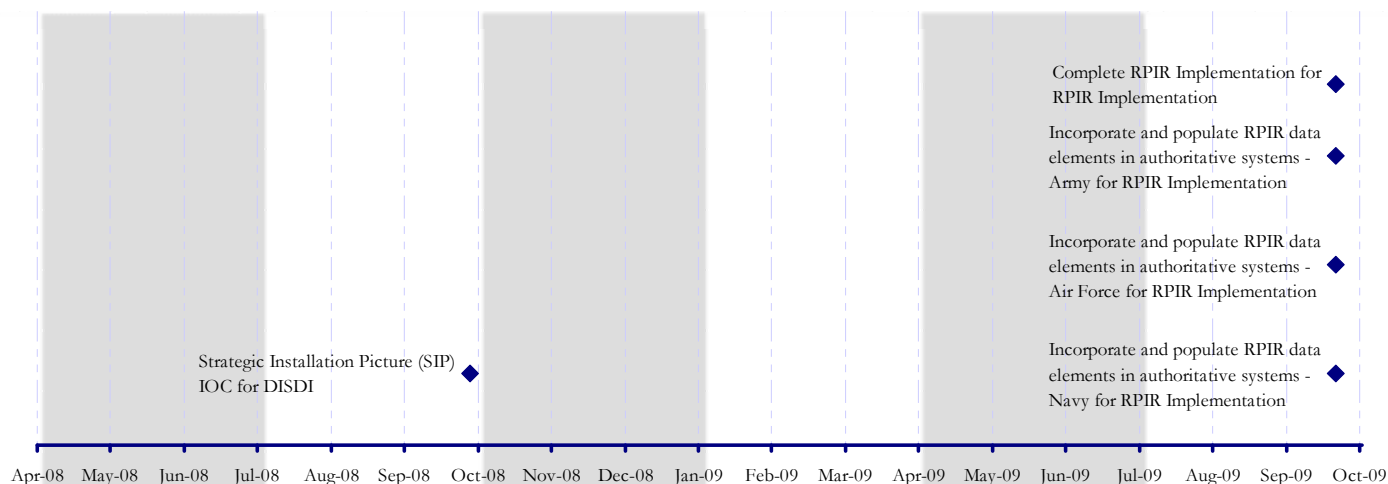
Approach

The BPR is complete and the requirements have been included in the DoD Business Enterprise Architecture (BEA) to assure integration with processes outside The Real Property and Installations Lifecycle Management (RPILM). Policy changes have been made to the Department of Defense Instruction 4165.14 "DoD Real Property Inventory Reporting and Forecasting", the Financial Management Regulation and the Defense Federal Acquisition Regulation Supplement. Implementation activities are underway in accordance with transition plans developed by each Component Service or Agency and documented in the program milestones and performance metrics for RPILM.

Benefits

- Provides accurate, timely and reliable real property information for management decision making.
- Increases visibility and accountability of DoD real property assets through the use of consistent business process and information standards.
- Facilitates the linkage of core real property information to other critical warfighter and business mission data, including personnel, personal property and environmental information.
- Improves accuracy and auditability of financial statements.

Timeline Diagram



Initiatives Do Not Include Legacy Migrations



Real Property Inventory Requirements (RPIR)

Accomplishments/Capabilities Delivered:

- Established Land Parcel Accountability (LPA) and Real Property Networks and Linear Structures (RPNLS) Working Groups in Q3 FY08, which will ensure that RPIR is implemented in a consistent manner across DoD.
- Published Real Property Accountability Implementation Guide online for the Components in Q4 FY08.
- Published a Linear Segmentation Implementation Guide in Q4 FY08.

Near-Term Plans:

- Continue to support Component implementation with the Real Property Information Model and the Real Property Configuration Support Panel.
- Continue to incorporate standardized data elements into Component authoritative systems.
- Continue to monitor Component implementation by conducting reviews of systems and assessments of data population.
- Develop timelines and implementation guides for LPA and RPNLS.

System Metrics

The data quality metric, which will be measured once the Real Property Assets Database (RPAD) reaches Full Operational Capability (FOC), identifies the fraction of real property records returned to the Components for corrective action.



Environmental Liabilities Recognition, Valuation and Reporting Requirements (EL)

Description

Joint cross-functional teams composed of engineers, financial managers and facility managers developed and documented core data, business rules and process requirements for accurately reporting environmental liabilities. In tandem with appropriate functional program and financial guidance, the reengineered environmental liabilities business process requirements provide the methodology to correctly value and categorize environmental liabilities related data.

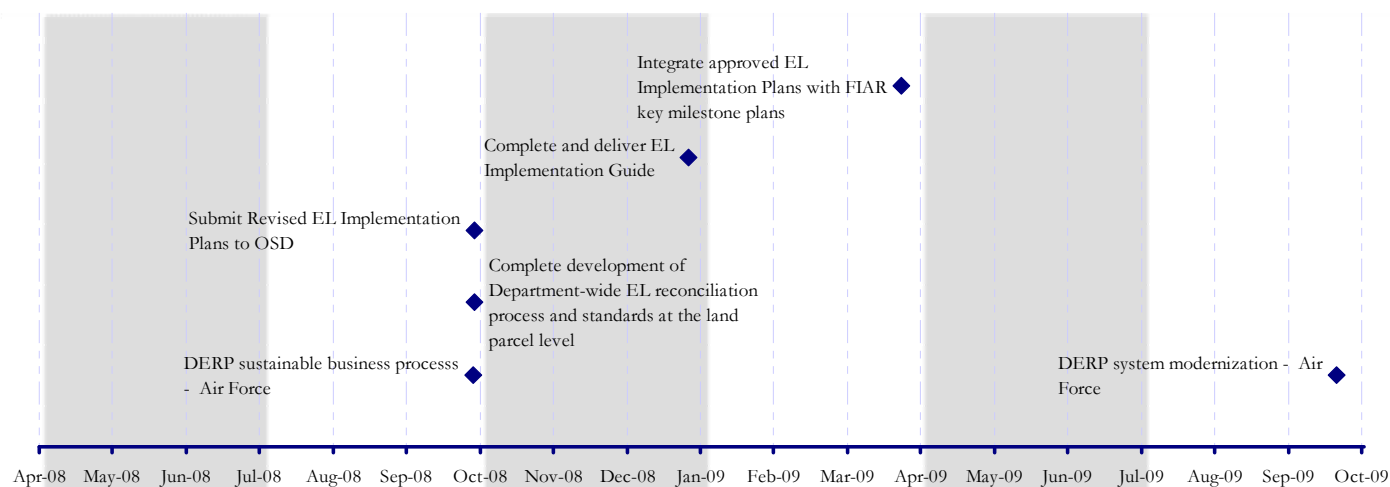
Approach

The business process reengineering (BPR) is complete and the requirements have been included in the DoD Business Enterprise Architecture (BEA). Upcoming efforts are focused on supporting implementation by the Components, to achieve the outcomes described. A Configuration Support Panel has been established to address implementation issues as they arise. A template was developed and delivered to the Components, which integrated implementation of the EL requirements with the Financial Improvement and Audit Readiness (FIAR) Plan and Financial Improvement Plan (FIP).

Benefits

- Documented, complete and accurate inventories of environmental liabilities reconciled with DoD asset records.
- Increased awareness of asset condition, resulting in improved management and business operations.
- Helps enable auditable financial statements.
- Effective and comprehensive data management, including enterprise standards, high integrity, transparency and interoperability.

Timeline Diagram



Initiatives Do Not Include Legacy Migrations



Environmental Liabilities Recognition, Valuation and Reporting Requirements (EL)**Accomplishments/Capabilities Delivered:**

- Integrated FIAR Plan Template and EL BPR Implementation Planning Template in Q3 FY08, which will facilitate executive oversight of transition to sustainable business processes that will produce reliable, timely and accurate data for management decision making as well as helping to enable auditable financial statements.

Near-Term Plans:

- Complete and deliver EL Implementation Guide.
- Integrate approved EL Implementation Plans with FIAR.



Hazardous Materials Process Controls and Information Management Requirements (HMPC&IMR)

Description

The objective of this initiative is to develop and implement an end-to-end, systematic management process and information technology infrastructure for effective operational control of hazardous materials. Ready access to complete, accurate hazardous material information is critical to effective lifecycle chemical management in the Department of Defense (DoD). Component implementation of the “To-Be” process improves the accuracy and availability of authoritative hazard data and employs Component and installation-level environmental management systems to reduce chemical-related risks throughout the DoD supply chain. The HMPC&IMR initiative eliminates redundant purchase of data and duplicative error-prone data entry across DoD by influencing appropriate acquisition, logistics, human resources and financial management business processes. As such, this initiative provides controls on Materiel Visibility (MV), Acquisition Visibility (AV), Personnel Visibility (PV), Common Supplier Engagement (CSE) and Real Property Accountability (RPA) processes.

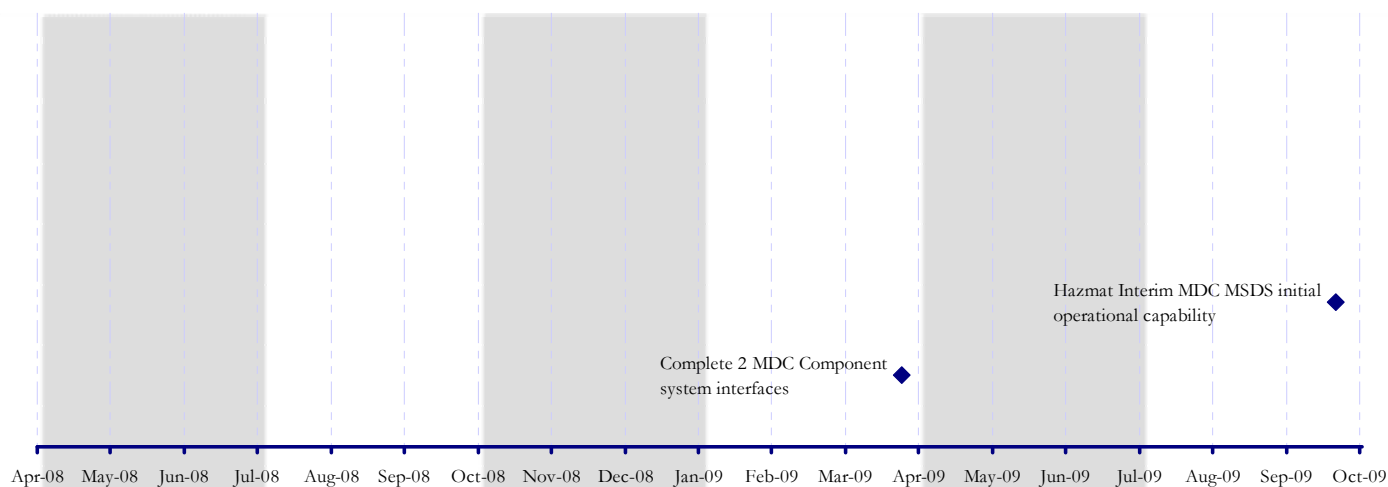
Approach

The business process reengineering (BPR) is complete and the requirements have been included in the BEA to assure integration with processes outside The Real Property and Installations Lifecycle Management (RPILM). Implementation planning for this initiative was baselined in 2008 and will evolve through continuous dialogue between the Office of the Secretary of Defense (OSD) and Component-level environmental, safety, occupational health and logistics communities. Ultimately, implementation will establish secure and reliable net-centric access to authoritative hazardous materials product, chemical and regulatory reference data meeting the HMPC&IMR, leveraging the capabilities of emerging Component-level supply chain transformational programs and industry-based chemical data harmonization efforts.

Benefits

- Improved safety and reduced downtime from improper handling and use of hazardous materials.
- Reduced cleanups from improper handling and use of hazardous materials.
- Reduction of redundant purchases and data searches.
- Improved access to authoritative hazardous materials data across DoD—when and where it is required.
- Improved inter-Component communication of best practices.
- Cost-effective hazardous materials business management processes.

Timeline Diagram



Initiatives Do Not Include Legacy Migrations



Hazardous Materials Process Controls & Information Management Requirements (HMPC&IMR)**Accomplishments/Capabilities Delivered:**

- Completed Service Level Agreement for Hazardous Materials (Hazmat) Data Master in Q3 FY08.
- Approved Material Safety Data Sheets (MSDS) metadata requirements, a necessary precursor to establishment of the MSDS portion of the Manpower Data Center (MDC) in Q3 FY08.
- Integrated BEA HMPC&IMR requirements into Executive Order 13423 Toxic and Hazardous Chemicals Plan in Q3 FY08.
- Completed two Component system interfaces to the Hazmat Data Master in Q4 FY08.

Near-Term Plans:

- Complete two additional Component system interfaces to the Hazmat Data Master.



Real Property Acceptance Requirements (RPAR)**Description**

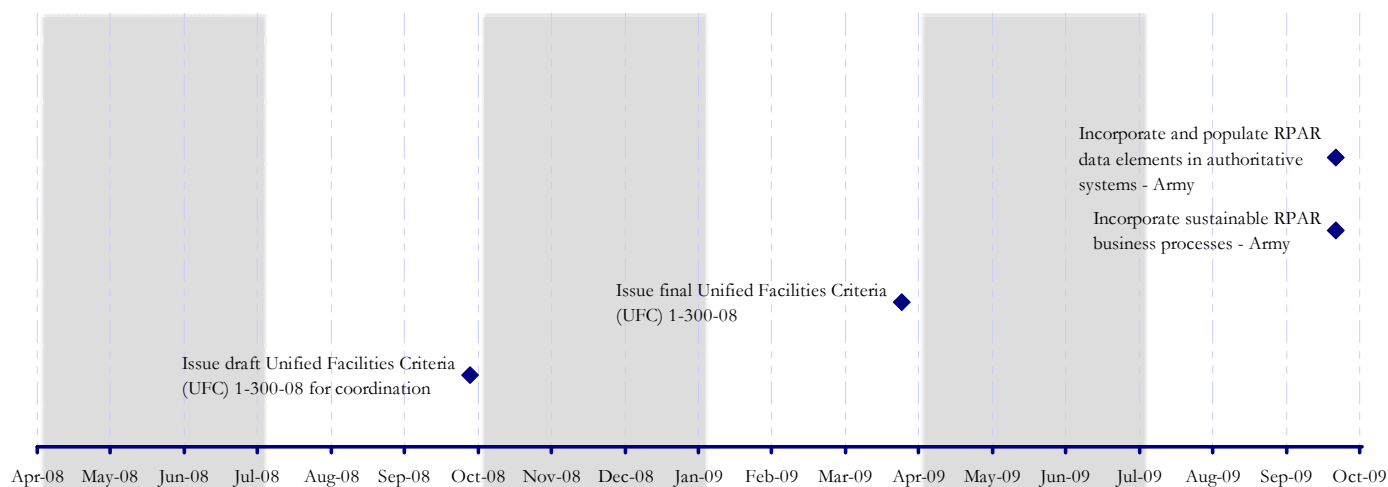
The lack of consistent, Department-wide processes ensuring accountability for real property assets at the point of acceptance has resulted in duplicate or erroneous real property asset reporting and valuation. After completion of Real Property Inventory Requirements (RPIR), a follow-on business process reengineering (BPR) addressed the acceptance of real property into the Department of Defense (DoD) inventory by all Components using any acquisition method. Implementation of the reengineered RPAR processes will ensure that assets acquired by any method are capitalized at the placed-in-service date by all Components.

Approach

The BPR is complete and the requirements have been included in the DoD BEA to assure integration with processes outside the Real Property and Installations Lifecycle Management (RPILM). The initiative is now focused on integration into the Department's real property policies and processes, facilities managers' information systems and related financial information systems. The Components have developed implementation plans in conjunction with the RPILM Core Business Mission (CBM) and will undertake the activities necessary to achieve successful implementation in accordance with these plans.

Benefits

- Standard enterprise processes and data for newly-acquired real property, used by the Department's construction agents and real estate specialists and resulting in current and complete data in real property inventory systems.
- Accurate DoD real property inventory information that forms the basis of the operations, sustainment and modernization budget models needed for effective stewardship of real property assets.
- Helps enable consistent and auditable financial statements.

Timeline Diagram

Initiatives Do Not Include Legacy Migrations



Real Property Acceptance Requirements (RPAR)**Accomplishments/Capabilities Delivered:**

- Issued draft Unified Facilities Criteria 1-300-08, “Criteria for Transfer and Acceptance of Military Real Property,” which enables maintenance of a valid audit trail and consistent application of depreciation start and stop dates, in Q4 FY08.

Near-Term Plans:

- Develop specifications for Web Service Descriptive Languages (WSDLs) to enable automated acceptance transactions that support sustainable business processes.
- The Navy will complete its implementation plan for RPAR.
- The Air Force will incorporate RPAR standardized data elements in authoritative systems and implement sustainable RPAR business processes in Q4 FY10.



Real Property Construction in Progress Requirements (RPCIPR)

Description

The Department of Defense's (DoD's) current processes for managing and reporting Construction In Progress (CIP) costs do not provide sufficient accountability of construction costs and do not fully comply with federal financial management requirements. Various audit reports have highlighted inadequate internal controls and deficiencies in financial reporting, accountability and documenting of CIP project and cost information. During the Real Property Acceptance Requirements (RPAR) business process reengineering (BPR), participants determined that since the process for CIP is so different, it should be addressed separately. RPCIPR provides a standard process to calculate, record and report the value of CIP, which will improve visibility and access to CIP information, ensure that sufficient documentation is available at the transaction level to support CIP values and enable reliable and consistent reporting of construction progress (in terms of value) to Congress, project and financial managers, thus achieving and sustaining a clean audit opinion. The initiative is now focused on assuring implementation of these requirements into the Department's policies, real property inventories and associated financial information systems.

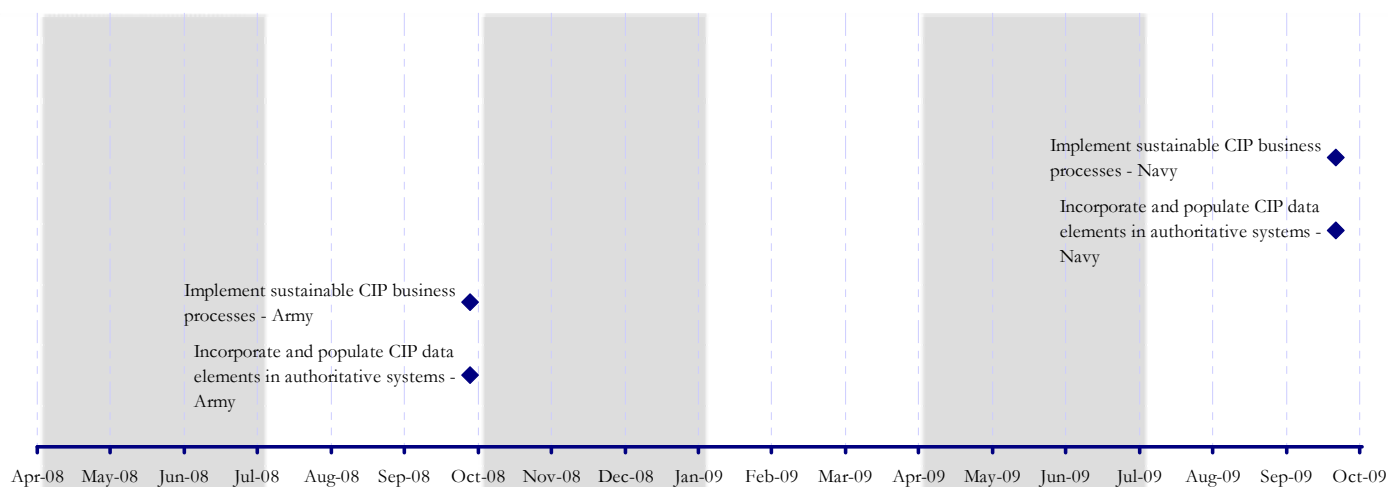
Approach

The BPR is complete and the requirements have been included in the DoD Business Enterprise Architecture (BEA) to assure integration with processes outside RPILM. The Components have developed implementation plans in conjunction with The Real Property and Installations Lifecycle Management (RPILM) Core Business Mission (CBM) and will undertake the activities necessary to achieve successful implementation in accordance with these plans. In addition, policies will be adjusted to further facilitate and enable the changes described in the RPCIPR document at the Component level.

Benefits

- Assures consistency in managing processes and associated information for the CIP phase of the real property lifecycle.
- Enables visibility and accountability of DoD real property assets under construction.
- Improves accuracy and auditability of financial statements.
- Provides accurate, timely and reliable real property information for financial management and decision making.

Timeline Diagram



Initiatives Do Not Include Legacy Migrations



Real Property Construction in Progress Requirements (RPCIPR)**Accomplishments/Capabilities Delivered:**

- Updated the Financial Management Regulation, Volume 4, Chapter 6, “Property, Plant and Equipment,” in Q3 FY08.
- Issued draft Unified Facilities Criteria 1-300-08, “Criteria for Transfer and Acceptance of Military Real Property,” which enables maintenance of a valid audit trail and consistent application of depreciation start and stop dates, in Q4 FY08.

Near-Term Plans:

- The Air Force will incorporate RPCIPR standardized data elements in Air Force authoritative systems in Q2 FY10 and implement sustainable RPCIPR business processes in Q4 FY10.



Real Property Assets Database (RPAD)**Description**

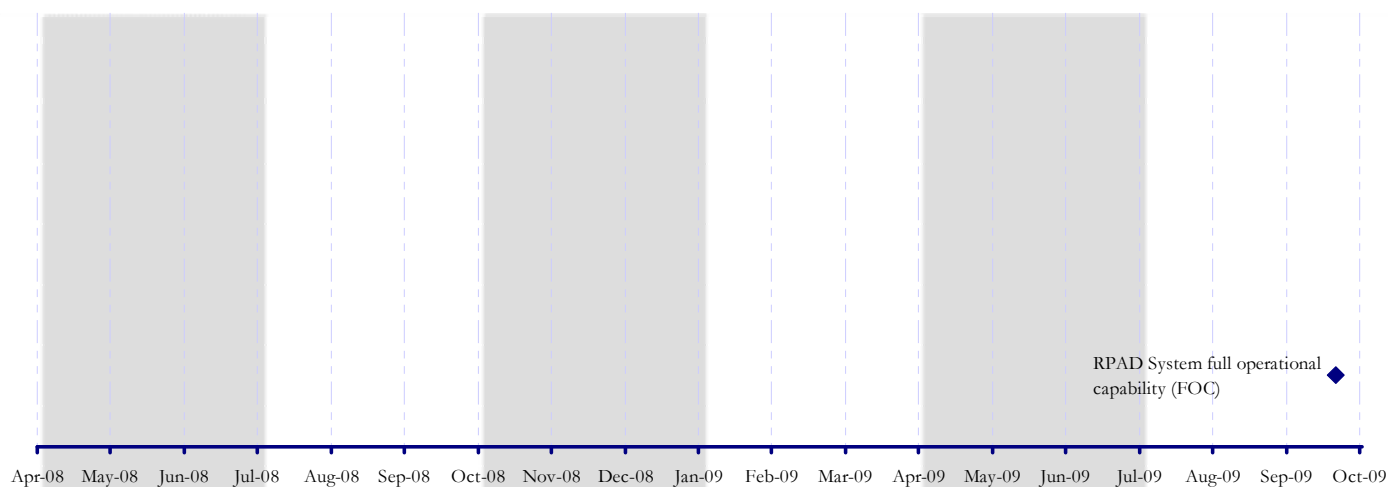
RPAD is being developed to be the Real Property Inventory Requirements (RPIR) compliant central repository of all the Department of Defense (DoD) real property inventory data. RPAD's net-centric capabilities will provide near real-time accessibility to data and will become the single authoritative source for all real property inventory information. With proper authorization, account holders within the Department will be able to access real property data by downloading pre-processed reports or running a wide variety of data queries to support their specific requirements. Through the use of unique identifiers, users from all defense communities will be able to access data involving real property assets in RPAD by linking with other applications adhering to the standard enterprise architecture. RPAD will also serve as the authoritative source for external users of DoD real property asset information, including the US Government Accountability Office, the General Services Administration and Congress. Real property data will be provided directly from the Component's native real property systems of record and electronically transmitted to the RPAD data warehouse after successfully passing a series of data validation tiers.

Approach

By providing common data access and near real-time accessibility, RPAD will provide assurance that data analysts within the Department are using the most current data available for their research. Eliminating the need for various methods of manual transmissions or physical requirements for re-formatting or translating data will continue to improve the quality of the end data points.

Benefits

- Provides near real-time data.
- Web accessible to authorized users
- Enables more efficient response to data inquiries.
- Improves real property inventory data accuracy to data inquiries.

Timeline Diagram

No Legacy Systems Identified



Real Property Assets Database (RPAD)

Accomplishments/Capabilities Delivered:

- In Q3 FY08, RPAD received an Approval to Operate from the Information Assurance certification process and application and certification credentials have been passed to the Services for similar credential processing at each location.

Near-Term Plans:

- Upon the Military Services' completion of information assurance credential processing, it will be possible for data to be electronically transmitted directly from the native databases (through the application configurations) to the data warehouse, which will yield an even greater level of fidelity with real property data. The checks and balances inherent to the application will reject improperly formatted or technically incorrect data at the source of entry where it can be fixed immediately.



Real Property Unique Identifier Registry (RPUIR)**Description**

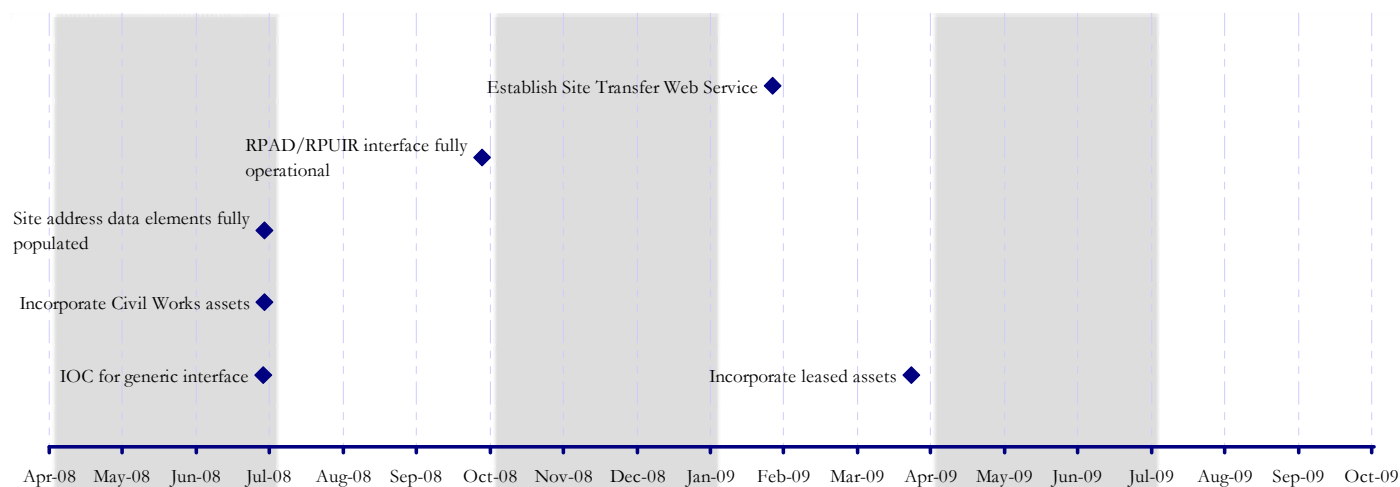
The Real Property Inventory Requirements (RPIR) establishes unique identifiers as the foundation for building a standardized net-centric data environment that can enable delivery of accurate, real-time, integrated real property data. RPUIR is the centralized, Service Oriented Architecture based system that assigns and tracks real property unique identifiers for all of the Department of Defense's (DoD's) real property assets and sites worldwide, consistent with RPIR. The RPUIR provides secure interfaces with Component systems, thus core real property information will be maintained at the authoritative source. The registry will maintain the non-intelligent unique identification database, to include identifier, location and change histories.

Approach

- Full Operational Capability (FOC) for the site and asset registries has been accomplished.
- Both registries are being populated by the Components and maintained by U.S. Transportation Command (USTRANSCOM) under contract to the Office of the Deputy Under Secretary of Defense (Installations and Environment) Business Enterprise Integration Directorate and guided by Service Level Agreements with the Components.
- As part of the initial population, validation of real property records and Component systems will be undertaken, to assure interoperability and standards compliance.

Benefits

- Enables unique identification of all DoD real property sites and assets consistent with benefits anticipated from unique identification for all DoD property (e.g., reduced information asset management cost and increased productivity).
- Provides secure interoperability between Component real property and other related information systems via the unique identifier.
- Links real property information to personnel and personal property.

Timeline Diagram

No Legacy Systems Identified



Real Property Unique Identifier Registry (RPUIR)

Accomplishments/Capabilities Delivered:

- Developed Site Transfer requirements to support Joint Basing, including a common business language and site unique identifiers, which allow unique identification of sites across DoD, in Q3 FY08.
- Developed requirements for entering leased sites and assets into RPUIR, which allows DoD visibility of each lease in General Services Administration and commercial sites, thus eliminating duplicate reporting, in Q3 FY08.
- Achieved FOC of a generic SOA interface, which provides the authoritative data for location to non-real property business systems such as the Defense Property Accountability System (DPAS), in Q3 FY08.
- Achieved FOC of the SOA interface to RPAD, to provide RPAD with higher-level verification of the Services' data, in Q4 FY08.

Near-Term Plans:

- Achieve FOC of Site Transfer Web services, which support Joint Basing.

System Metrics

Sites and Assets in RPUIR

Since attaining FOC for sites (in Q3 FY07) and assets (in Q1 FY08) the number of records in RPUIR has increased as the Components submit records for assignment of Real Property Unique Identifiers.

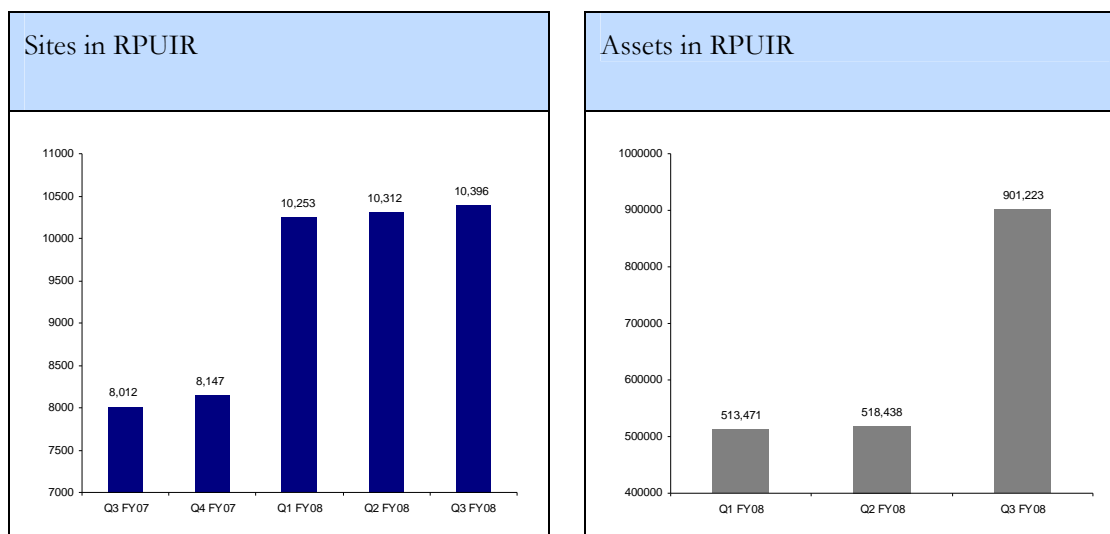


Figure 3-34: Sites and Assets in RPUIR

Transaction Rejects

The RPUIR target is to reduce current level of monthly rejects to no greater than 1% to improve level of data accuracy. Measurement will begin in Q1 FY09.



Hazardous Materials Information Resource System (HMIRS)

Description

HMIRS is the Department of Defense's (DoD's) authoritative source for the Material Safety Data Sheets (MSDS) and other data needed for transporting, labeling, managing and disposing of hazardous materials, enabling environmental and occupational protection. HMIRS was designated by the Office of the Secretary of Defense as the authoritative source of MSDS and value-added data for DoD, in compliance with DoD Instruction 6050.05. HMIRS also includes Hazard Communication Standard (HAZCOM) warning labels and transportation information on the four major modes of transport for hazardous materials purchased by the federal government. MSDS data is usually available at the time of material acquisition through DoD focal points, which scans the MSDS into HMIRS then review and place the transportation, labeling, environmental and disposal information into the system. MSDS information includes chemical constituency and hazard communications information needed to comply with the Occupational Safety and Health Administration and with regulations promulgated by the Environmental Protection Agency (EPA) and the Department of Transportation regulatory guidance. The MSDS data is available on the World Wide Web and via compact disk. HMIRS, which resides in a Commercial Off-the-Shelf environment, is developed and maintained by the Defense Logistics Agency (DLA).

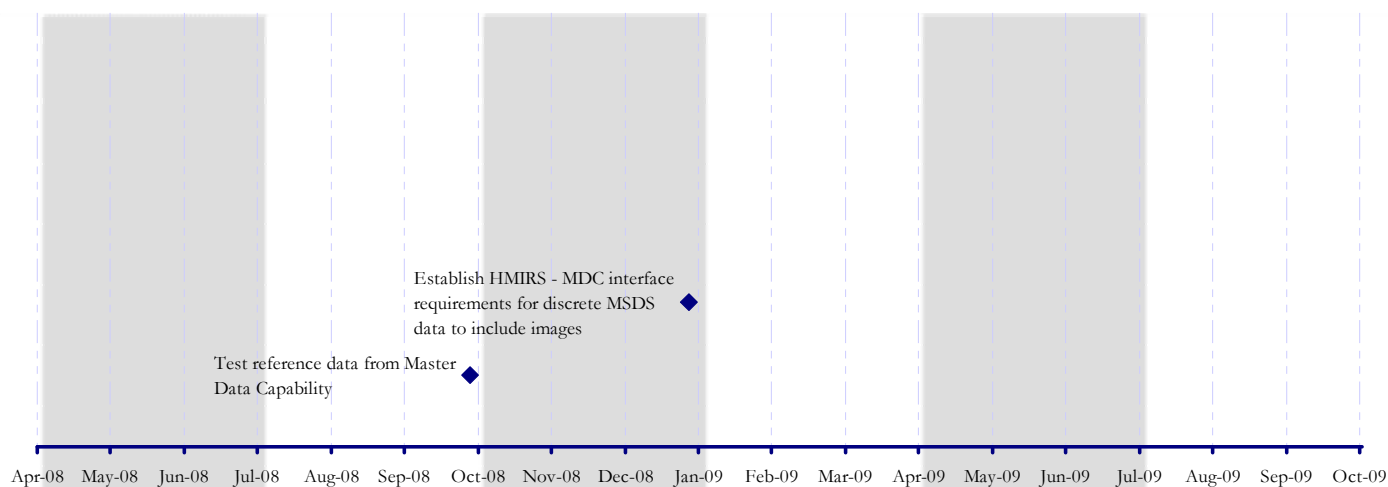
Approach

Modernization will provide the capability to store a custom style sheet along with the supplier Extensible Markup Language (XML) document. Build an interface for the Master Data Capability using XML via an automated program interface/Web service.

Benefits

- Provides one location for DoD hazardous material data.
- Web accessible to authorized users

Timeline Diagram

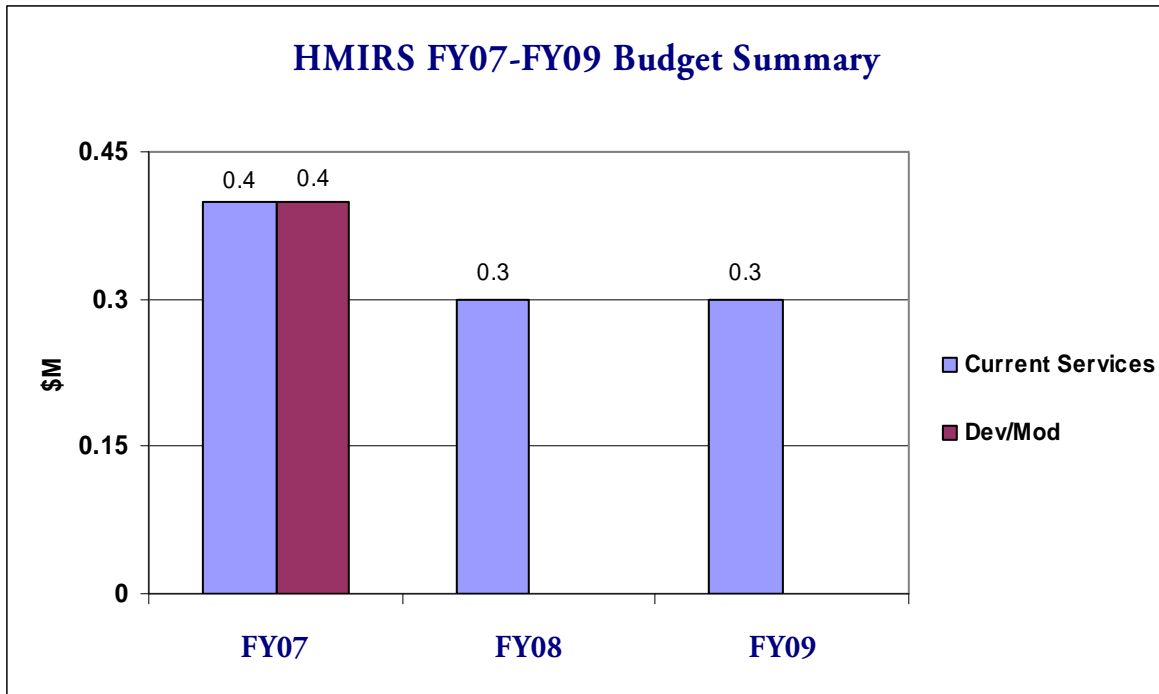


No Legacy Systems Identified



Hazardous Materials Information Resource System (HMIRS)

HMIRS FY07-FY09 Budget Summary and Details



No Dev/Mod funding budgeted for FY08-FY09.

The level of investment is sufficient to meet current requirements. However, the United Nations Centre for Trade Facilitation and Electronic Business is considering approval of the European Union Registration, Evaluation and Authorization of Chemicals (REACH) regulation, which will require data beyond that currently budgeted for and supported by the HMIRS program. If the regulation is approved, additional funding will be needed to enable compliance with REACH.

Accomplishments/Capabilities Delivered:

- Provided access to HMIRS for White Sands Missile Range, New Mexico.

Near-Term Plans:

- Deploy an additional interface, providing access to HMIRS data from DoD's Depot Support Systems.
- Develop an implementation plan for an interface with HMIRS to consume information from the MDC.



Fully Implemented Program

Knowledge Based Corporate Reporting System (KBCRS)

Description

KBCRS consolidates environmental cleanup data from across the Department for appropriate decision makers within OSD, as well as for authorized users from state and federal environmental agency offices and selected Native American tribes. It also provides detailed appendices to the Environmental Management Annual Report to Congress. KBCRS receives data extracted from Department of Defense (DoD) Component organizations, performs validity checks on the information and loads the data into a consolidated OSD database with modules for various program areas. Current programs are Solid Waste and Cleanup (the Defense Environmental Restoration Program, which includes the Military Munitions Response Program (MMRP)). KBCRS incorporates Cleanup data from 1997 forward and MMRP data from 2001 inception forward.

Approach

Continue to provide consolidated environmental program data.

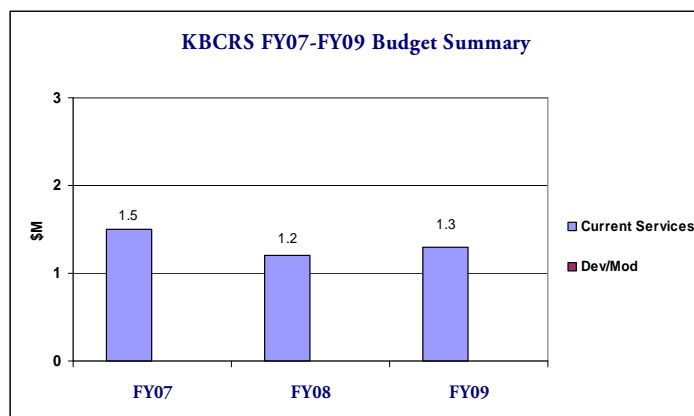
Benefits

- Provides data consolidation, analysis and reporting, thus saving time and reducing costs.
- Provides the capability to generate new, combined information and integrated data from the various programs, allowing improved management and visibility of activities across the range of environmental and installation programs. This benefit will result in better strategic environmental decisions.
- Provides historical data, allowing a view of progress from year to year.
- Improves the accuracy of information by providing a single data standard.
- Makes information available anywhere at any time from any personal computer (PC) with a standard Web browser and Internet connection.

Accomplishments/ Capabilities Delivered

- Data available from KBCRS to generate the environmental cleanup data reported in the Defense Environmental Programs Annual Report to Congress.
- Data available from KBCRS to support Defense Environmental Restoration Program portion of semi-annual Environmental Management Reviews.

Budget



No Dev/Mod funding budgeted for FY07-FY09.



Cross-BEP and Component Integration

Implementation of the five reengineering efforts requires partnerships with all DoD Components at many levels. The Components have already released plans for implementing the data elements, processes and business rules developed by the RPIR, RPCIPR, RPAR, EL and HMPC&IMR initiatives. For each of these initiatives, RPILM is responsible for review and approval of the implementation plans. In addition, RPILM developed IRB compliance assessment tools and procedures for each initiative and distributed the package to the Components. This package, delivered with a memorandum signed by the Deputy Under Secretary of Defense (Installations and Environment), supports the DoD requirement to demonstrate BEA compliance within six months of each system release. In addition, RPILM is in regular contact with the Components to provide support and guidance as the Components integrate new requirements into their existing systems and business processes. All five reengineering efforts have been integrated with the other Business Enterprise Priorities during the development of each version of the BEA.

RPIR is one of the data initiatives coordinated with the Supply Chain Management Data Standards group, which is analyzing data concepts across acquisition, logistics and financial domains. RPA's pioneering research and development of cross functional enterprise data standards for addresses is serving as a model and foundation for other Business Enterprise Priority's efforts to harmonize data formats, business rules and definitions.

RPILM has a strategic partnership with U.S. Transportation Command to develop the RPUIR. To further integrate the authoritative location construct across the DoD Enterprise, RPILM has developed a generic Web services interface, which can be used with several systems including the Comptroller Military Construction (C-1) database, DPAS, Defense Manpower Data Center (DMDC) and the TRICARE Management Activity's Defense Medical Logistics Standard Support (DMLSS).

To accomplish our HMPC&IMR implementation objectives, RPILM is collaborating with DLA to develop a central source of authoritative chemical and regulatory data. RPILM is also working to incorporate this data into the Logistics Master Data capability, a completed transformational initiative of the MV Business Enterprise Priority. This collaborative initiative will provide DoD environmental, safety, occupational health and logistics communities ready access to the data required for safe and effective management of hazardous materials throughout weapon systems and facilities lifecycles.

The Components and RPILM are reengineering the Spatial Data Standard for Facilities Installations and Environment into a single DoD spatial standard that supports common implementation and maximizes interoperability. Through the Defense Installation Spatial Data Infrastructure Community of Interest, the Components work to geo-enable the Department's real property information by implementing Defense Information Systems Agency Agency Net-Centric Enterprise Services and using an SOA approach.



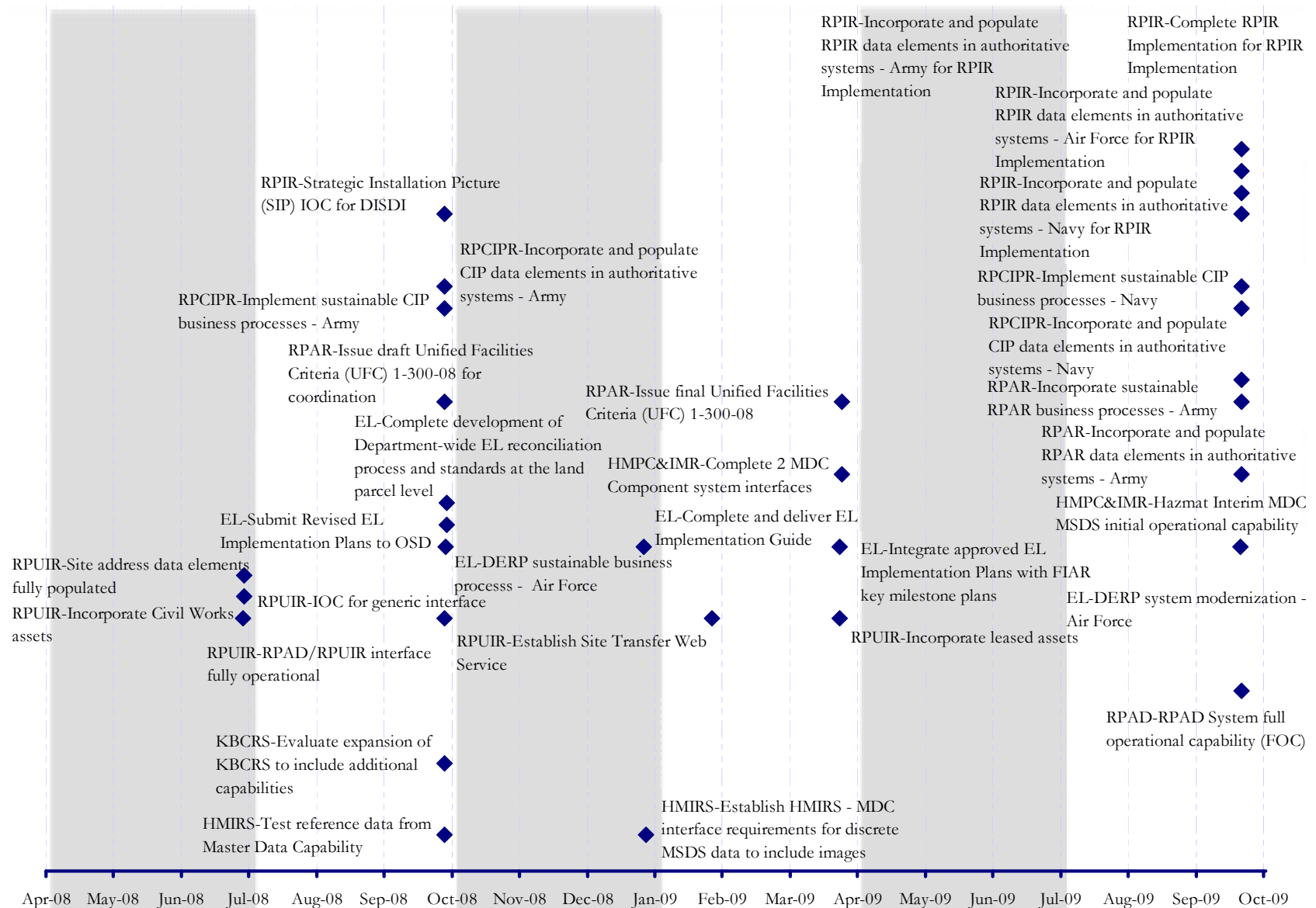
Real Property Accountability Dashboard

Real Property Accountability (RPA)	
<p>Real Property Accountability (RPA) provides the warfighter and Core Business Missions (CBM) access to near real-time secure, accurate and reliable information on real property assets and environment, safety and occupational health (ESOH) data.</p> <p>The Real Property and Installations Lifecycle Management (RPILM) CBM provides the installation assets and services necessary to support our military forces in a cost effective, safe, sustainable and environmentally sound manner.</p>	Systems & Initiatives
	Transformational
	<p>Environmental Liabilities Recognition Valuation and Reporting Requirements (EL)</p> <p>Hazardous Materials Information Resource System (HMIRS)</p> <p>Hazardous Materials Process Controls and Information Management Requirements (HMPC&IMR)</p> <p>Real Property Asset Database (RPAD)</p> <p>Real Property Acceptance Requirements (RPAR)</p> <p>Real Property Construction In Progress Requirements (RPCIPR)</p> <p>Real Property Inventory Requirements (RPIR)</p> <p>Real Property Unique Identifier Registry (RPUIR)</p>
	Fully Implemented
	<p>Knowledge Based Corporate Reporting System (KBCRS)</p>
Objectives	
<ul style="list-style-type: none">• Deliver consistent real property, environmental liabilities and hazardous materials (Hazmat) information, supported by standard processes and data.• Integrate financial, real property and environmental business practices.• Reduce real property inventory management burdens and inefficiencies.• Provide net-centric data environment that can enable delivery of accurate, real-time integrated data.• Provide a complete inventory of environmental liabilities reconciled with property, plant and equipment records, adequate environmental liabilities (EL) management controls, audit trails, cost estimates and documentation.• Increase Hazmat operational support, protection and control.• Reduce Hazmat-related environmental violations, lost-time incidents and exposure.• Geo-enable location information	
Changes since the March 2008 Congressional Report	
<p>There are no changes to the list of target transformation programs for RPA.</p>	

FY07-FY09 Budget Summary																	
<table><thead><tr><th>Fiscal Year</th><th>HMIRS (\$M)</th><th>KBCRS (\$M)</th><th>Total (\$M)</th></tr></thead><tbody><tr><td>FY07</td><td>0.8</td><td>1.5</td><td>2.3</td></tr><tr><td>FY08</td><td>0.3</td><td>1.2</td><td>1.5</td></tr><tr><td>FY09</td><td>0.3</td><td>1.3</td><td>1.6</td></tr></tbody></table>	Fiscal Year	HMIRS (\$M)	KBCRS (\$M)	Total (\$M)	FY07	0.8	1.5	2.3	FY08	0.3	1.2	1.5	FY09	0.3	1.3	1.6	
Fiscal Year	HMIRS (\$M)	KBCRS (\$M)	Total (\$M)														
FY07	0.8	1.5	2.3														
FY08	0.3	1.2	1.5														
FY09	0.3	1.3	1.6														
<p>The RPILM initiatives, RPAD and RPUIR are not specifically identified in the President’s Budget; rather, they are incorporated into the Business Transformation Agency line items. Funding for HMIRS is provided by DLA. Funding for KBCRS is provided by the Army.</p>																	



RPA Milestone Summary



Case in Point: Seamless Real Property Accountability for Joint Basing

Base Realignment and Closure (BRAC) 2005 affects over 800 locations across the nation through 24 major closures, 24 major realignments and 765 lesser actions. It will advance the support of force transformation (Global Basing Strategy and Modularity); rebase forces to address new threat, strategy and force protection concerns; consolidate business-oriented support functions; promote joint and multi-Service basing; and achieve savings. Real Property and Installations Lifecycle Management (RPILM) programs are supporting BRAC by making consistent, reliable and accurate real property information available across the entire Department.

The large number of transformational recommendations, particularly the recommendation to establish Joint Bases (transfer of installation management functions from 26 installations to 12 newly created joint bases) presents implementation complexities. Joint Basing offers a significant opportunity to consolidate functions, realize savings and focus resources. Executing joint basing while maintaining real property accountability requires that affected real property be transferred to the entity responsible for managing the jointly-used real property. RPILM published standardized business requirements for real property transfer in 2006 and those processes drove development of the RPUIR and its interfaces with its complementary system, RPAD. These systems, as well as Component-level real property inventory systems, are using a common business language to allow interoperability. Web services for site and asset transfers will enable seamless passage of real property records from one Service to another. By using site and asset unique identifiers, all the characteristics and history of individual real property assets will continue to be readily available and easily maintained, regardless of what Service originally acquired them.

RPILM also incorporated revised real property transfer requirements into UFC 1-300-08, "Criteria for Transfer and Acceptance of Military Real Property," which was last updated in 2004 and is now in coordination. UFC documents apply to the Military Departments, the Defense Agencies and the DoD Field Activities. Adherence to the updated UFC 1-300-08 enables electronic transfers, consistent application of depreciation start and stop dates and maintenance of a valid audit trail.

With the real property transfer process defined by UFC 1-300-08 and facilitated by Web services, RPILM has provided tools to help DoD successfully implement Joint Basing.



Financial Visibility Definition and Goal

Financial Visibility (FV) provides immediate access to accurate and reliable financial information (planning, programming, budgeting, accounting and cost information) to improve financial accountability and efficient and effective decision making throughout the Department in support of the missions of the warfighter.

The goal of FV is to effect changes in financial management aimed at reducing investment and operating costs by facilitating ever-improving accountability, efficiency and decision making.

Strategy for Financial Visibility

The Department's continuing improved progress towards financial visibility relies on a strategy focused on improving financial practices and strengthening financial controls—enabling the Department to address long-standing material weaknesses in the areas of: non-compliant financial management systems and processes, reconciliation of fund balance with Treasury, reconciliation of intragovernmental balances, valuation of military equipment, valuation of real property assets and reporting of environmental liabilities.

The Department has established a broad strategy to accomplish the goals of financial visibility. This strategy relies on concurrent efforts in four areas:

- Defining and implementing a common language—the Standard Financial Information Structure (SFIS). SFIS provides standard definitions, lengths, values and business rules that enable transparency and interoperability of financial information across the Department of Defense (DoD) Enterprise.
- Implementing compliant financial systems, such as Component Enterprise Resource Planning (ERP) systems.
- Implementing audit-ready financial processes and practices (this effort includes activities tied to the Defense Financial Improvement and Audit Readiness (FIAR) Plan).
- Implementing Business Enterprise Information Services (BEIS) to aggregate financial information and provide Enterprise-wide financial reporting.

Business Capabilities and Program Mapping

Business Capabilities define the future capabilities necessary to support the warfighter and direct the Department's business systems modernization efforts toward acquiring those capabilities. Business Capabilities should be common throughout the Department's business enterprise. Development of these capabilities leads to the implementation of Enterprise-wide systems that provide greater visibility to decision makers at the highest levels in DoD. The following table displays the Business Capabilities that each of the FV programs will deliver based on their mappings to Version 5.0 of the Business Enterprise Architecture (BEA).

FV

OBJECTIVES

- Produce and interpret relevant, accurate and timely financial information that is readily available for analyses and decision making
- Link resource allocation to planned and actual business outcomes and warfighter missions
- Produce comparable financial information across organizations
- Achieve audit readiness and prepare auditable financial statements

Programs and Activities Enabling FV:

- BEIS
- DAI
- EFD
- IGT/IVAN
- SFIS
- USSGL SFIS Transaction Library



Business Capabilities	BEIS	DAI	EFD	IGT/IVAN	SFIS
Manage General Ledger	•	•			•
Manage Financial Assets and Liabilities	•	•			•
Managerial Accounting		•			•
Financial Reporting	•	•		•	•
Collect and Disburse		•		•	•
Forecast, Plan, Program, Budget and Funds Distribution and Control		•	•		

Transformational Activities

United States Standard General Ledger (USSGL) SFIS Transaction Library: Integral to BEA compliance since BEA 4.0, the USSGL SFIS Transaction Library assists Components in configuring a consistent implementation of a standard general ledger throughout the Department.

Accomplishments/Capabilities Delivered:

- Updated USSGL SFIS Transaction Library with Treasury's FY09 updates in Q4 FY08. Since this Transaction Library establishes the standard detailed transaction posting guidance for DoD, its updates must be consistent with the updates of Treasury's USSGL.
- Developed detailed posting transactions utilizing the DoD Standard Chart of Accounts in Q3 FY08. The posting transactions were provided in a format consistent with the USSGL SFIS Transaction Library, which includes the associated posting Business Rules and the related SFIS elements identified at the unique transaction level. The successful implementation of Defense Agencies Initiative (DAI) using the USSGL SFIS Transaction Library and the DoD Standard Chart of Accounts will serve as a guide for other ERPs in the Department.
- Achieved strategic alignment of DoD transformational initiatives into permanent regulation. Revised the DoD Financial Management Regulation (FMR) Volume 1, Chapter 7; "United States Standard General Ledger" and incorporated discussion and hyperlinks of three strategic Defense Business Transformation Agency (BTA) initiatives (the SFIS Resource Page, the SFIS Values Library and the USSGL SFIS Transaction Library) into DoD regulatory authority in Q3 FY08.

Near-Term Plans:

- Expand the user community's knowledge and understanding of accounting and financial business events in Q4 FY08, through transformation of legacy accounting policies to comply with federal regulations, policies, standardization initiatives and unique DoD posting requirements. This knowledge and understanding is critical as ERPs incorporate the detailed capabilities of the USSGL SFIS Transaction Library.
- Continue to assist DAI with development of transaction posting logic for the full suite of DAI agencies coming online over the next several months.



Financial Visibility Programs

Business Enterprise Information Services (BEIS)

Description

BEIS will build upon the mature, existing infrastructure of Defense Finance and Accounting Service (DFAS) Corporate Database/DFAS Corporate Warehouse (DCD/DCW), Defense Departmental Reporting System (DDRS) and Defense Cash Accountability System (DCAS) to provide timely, accurate and reliable business information from across the Department of Defense (DoD) to support auditable financial statements as well as provide detailed information visibility for management in support of the warfighter. BEIS is an enterprise-level information environment in which to: collect financial transactions from across DoD; provide the authoritative source for Standard Financial Information Structure (SFIS) values; ensure data is compliant with SFIS standards; provide security-defined, enterprise-level access to information for ad hoc management queries; and produce external financial management reports/statements based on standardized data.

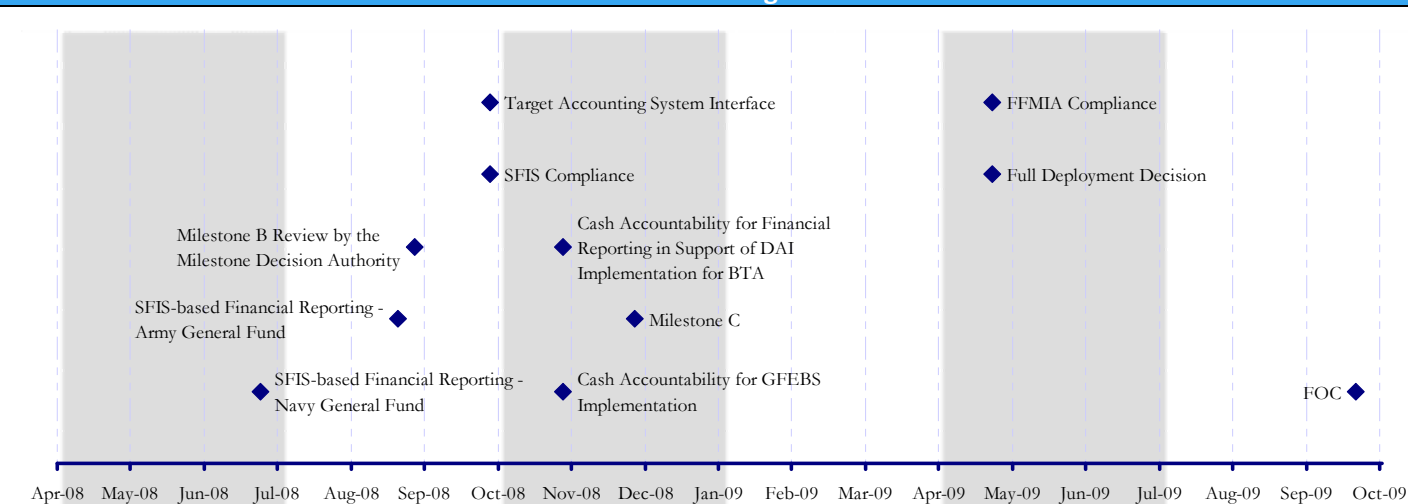
Approach

- Leverage existing infrastructure in DoD's investment in DCD/DCW, DDRS and DCAS.
- Formally implement a portfolio management approach to program management that will help ensure a management strategy is in place to better reallocate assets within the portfolio.
- Deliver needed capabilities more rapidly and efficiently using a Family of Systems concept providing a functional baseline organized into six distinct lines of business: General Ledger Services, Business Integration Services, Reference Data Services, Enterprise Level Business Intelligence Services, Cash Accountability and Reporting Services and Financial Reporting Services.

Benefits

- Establishes authoritative source for SFIS values and provide for standardization by implementing SFIS and United States Standard General Ledger (USSGL) compliant financial reporting capabilities for Audited Financial Statements and Budgetary Reports.
- Provides an enterprise-wide information environment that serves as the single source for enterprise wide financial information.
- Serves as the DoD-wide system for Treasury Reporting.

Timeline Diagram

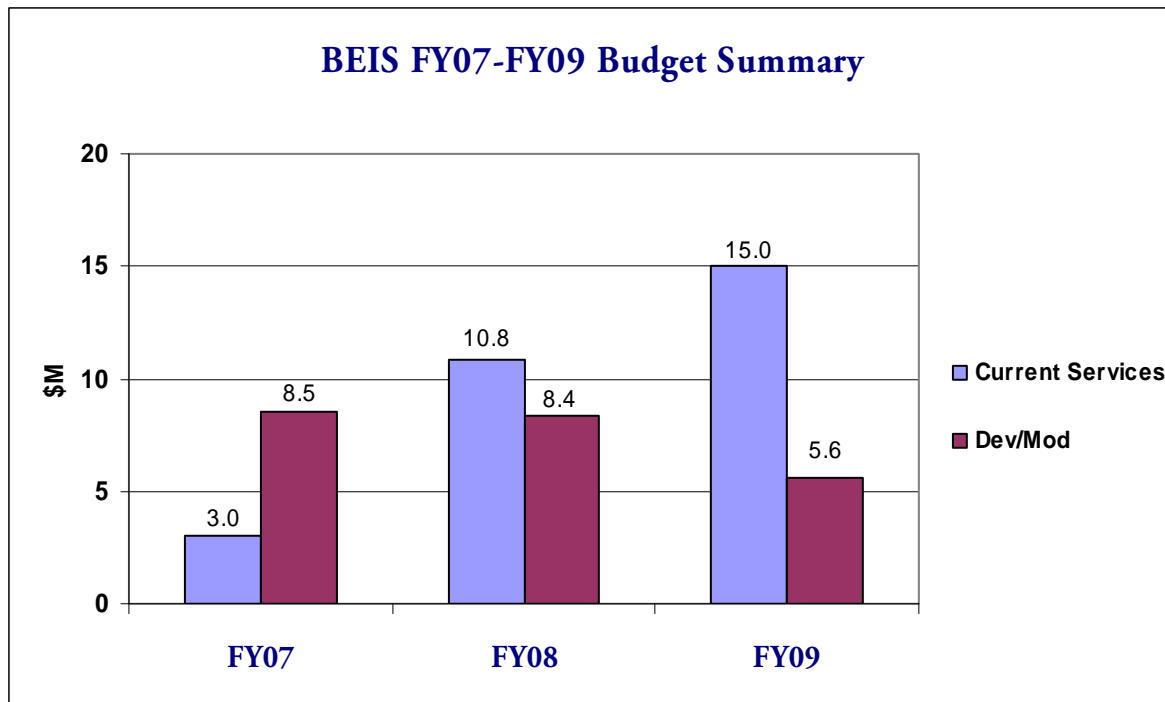


Legacy System	Term Date	Legacy System	Term Date	Legacy System	Term Date
FRS-ACCTG	Dec-08	FOS	TBD	TBO	TBD
CEPR	TBD	HQARS	TBD		
CHOOSE	TBD	IBOP	TBD		
CRS	TBD	NPPI	TBD		
DFRRS	TBD	RECERT	TBD		
DIT	TBD	SABRS	TBD		
DRO	TBD	SAMS	TBD		



Business Enterprise Information Services (BEIS)

BEIS FY07-FY09 Budget Summary and Details



BEIS funding through FY09 includes the program management support required for independent testing and validation necessary for milestone reviews in FY09, delivery of cash accountability and financial reporting for the emerging ERPs and further expansion of SFIS financial reporting across the Services.

Accomplishments/Capabilities Delivered:

- Further expanded SFIS financial reporting for DoD with the implementation of SFIS-based Financial Reporting for Navy General Fund in Q3 FY08.
- Enhanced the Executive Dashboard to improve financial visibility for financial operations, budget metrics, cost accounting and contingency reporting for Global War on Terror (GWOT) in Q3 FY08.
- Achieved Milestone B approval from the Milestone Decision Authority in Q4 FY08, which allowed BEIS to prepare for Milestone C and Full Deployment decision reviews in FY09.
- Resolved legacy data issues for BEIS Financial Reporting functionality for Army General Fund in Q4 FY08. Army General Fund reporting now complies with the DoD standard SFIS format.
- Enhanced the Executive Dashboard to improve financial visibility of detailed financial metrics, major procurement and individual Defense Agencies' funds status in Q4 FY08. These capabilities deliver a single source for integrated views and analysis to DoD decision makers to enhance their visibility of timely and accurate financial management information in support of the warfighter.



Business Enterprise Information Services (BEIS)**Near-Term Plans:**

- Enhance business intelligence capabilities with improved navigation of web-based Executive Dashboard, addition of expired year and civilian pay reporting, improved processes to provide real-time updates for financial and budget metric reporting and support the DFAS Contingency Operations Q1 FY09.
- Implement Cash Accountability for Financial Reporting in support of DAI and General Fund Enterprise Business System (GFEBS) implementations in Q1 FY09, enabling them to meet their deployment schedules.
- Enhance business intelligence capabilities with expanded budget metrics reporting for Defense Health Program; add Program Analysis Rating Tool (PART) and President's Management Agenda (PMA) reporting to financial metrics; add Major Range Test Facility Bases reporting and add Contingency/Disaster Relief Reporting in Q2 & Q3 FY09 based on Office of the Under Secretary of Defense (Comptroller) (OUSD(C)) priorities.



Defense Agencies Initiative (DAI)

Description

DAI represents the Department's effort to extend its solution set for streamlining financial management capabilities, reduce material weaknesses, improve internal controls and achieve financial statement auditability for approximately 28 Defense Agencies and Field Activities across the Department of Defense (DoD). The functional scope includes Accounts Receivable, Accounts Payable, Asset Management, Budget Formulation, Cost Accounting, Funds Distribution, General Ledger and Time & Attendance.

The objective of DAI is to achieve a Chief Financial Officer (CFO) compliant business environment that facilitates accurate and timely financial data that is auditable. The primary goal is to deploy a standardized system solution to improve overall financial management and comply with the Business Enterprise Architecture (BEA), Standard Financial Information Structure (SFIS) and Office of Federal Financial Management (OFFM) requirements.

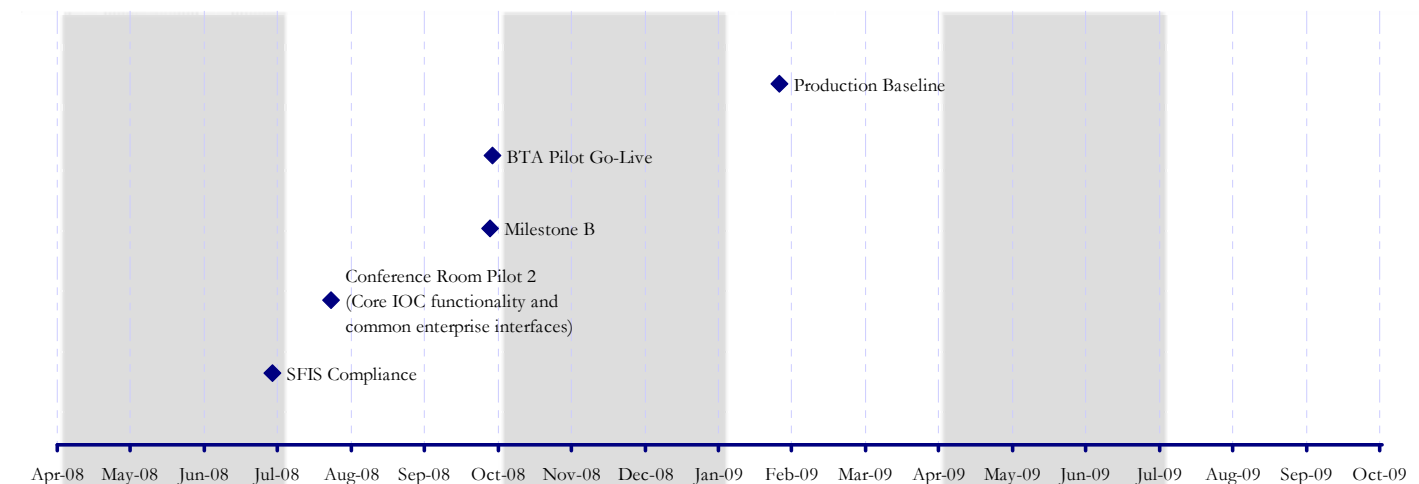
Approach

DAI will be implemented in 4 deployment waves. Defense Information Systems Agency (DISA), Defense Threat Reduction Agency (DTRA), Missile Defense Agency (MDA), Defense Advanced Research Projects Agency (DARPA), Defense Technical Information Center (DTIC) and Business Transformation Agency (BTA) will be part of Wave 1. The strategy is to implement a compliant solution with common business functions within budget execution: procure to pay; order to fulfill; acquire to retire; budget to report; cost accounting; grants accounting and time and attendance.

Benefits

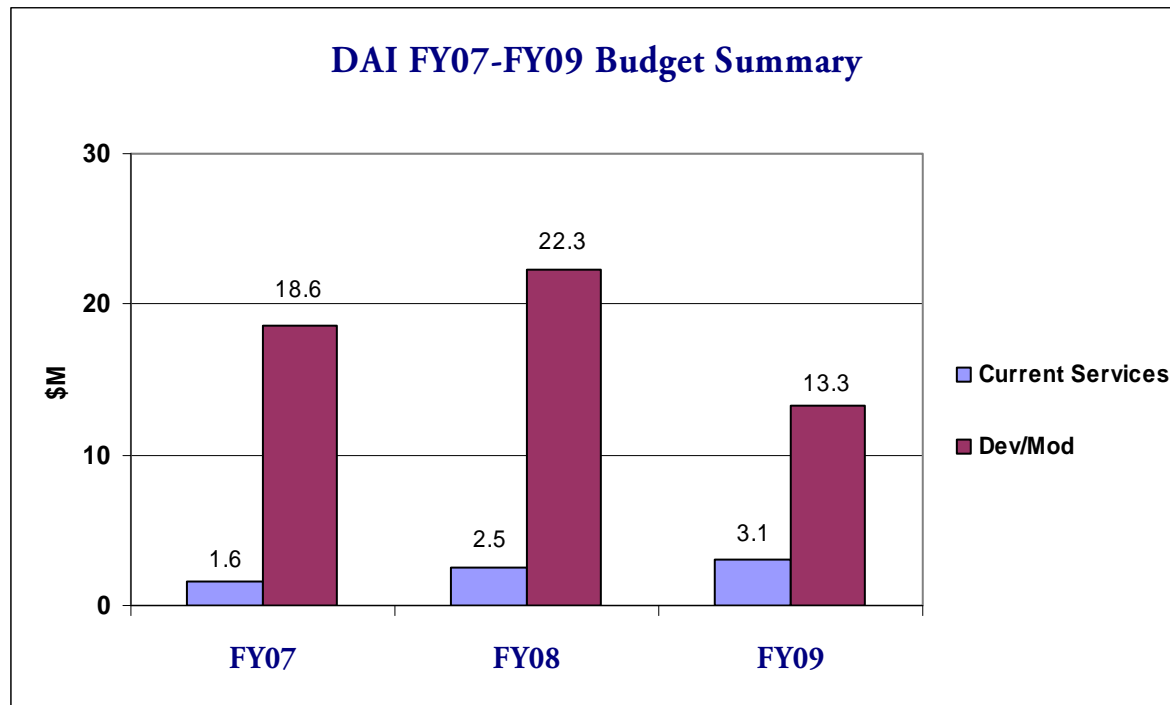
- Single OFFM compliant solution for 28 Defense Agencies and/or Field Activities
- Common business processes and data standards
- Real-time access to financial data transactions and significantly reduced data reconciliation requirements.
- Enhanced analysis and decision-support capabilities and standardized line of accounting with the use of SFIS
- Use of United States Standard General Ledger (USSGL) Chart of Accounts-Resolution of DoD material weaknesses and deficiencies.

Timeline Diagram



Legacy System	Term Date
CAFRMS	TBD
DBMS	TBD
WAAS	TBD



Defense Agencies Initiative (DAI)**DAI FY07-FY09 Budget Summary and Details**

DAI funding through FY09 includes services and products such as program management support; delivery of Conference Room Pilot (CRP) 1 and 2; site surveys and deployment to Wave 1 agencies; and a Global Model relevant to all Defense Agencies.

Accomplishments/Capabilities Delivered:

- Completed an analysis of data conversion requirements for pilot sites (BTA and DTIC) in Q3 FY08.
- Stood-up test and production hosting environments at DISA Defense Enterprise Computing Center (DECC) in Q3 FY08.
- Determined the Global Model for all Defense Agencies as a result of Blueprinting by Q4 FY08.
- Conducted CRP2, which included core Initial Operational Capability (IOC) functionality from CRP1 plus the addition of common enterprise interfaces in Q4 FY08.
- Designed and developed standard reports and a common data warehouse for ad hoc queries in Q4 FY08.
- Developed interfaces and target data objects using Global Exchange (GEX) in Q4 FY08.
- Achieved Milestone B in Q4 FY08.

Near-Term Plans:

- Implement DAI at pilot site, BTA, in Q1 FY09.
- Production Baseline in Q2 FY09
- Achieve Milestone C in Q1 FY10. Milestone C is the approval of Production Baseline and permission to begin deployment to subsequent waves.
- Target completion of Wave I implementation in Q2 FY10.



Defense Agencies Initiative (DAI)

System Metrics

DAI Conference Room Pilots (CRPs)

In an effort to validate the global solution design as defined and depicted in the configured Commercial Off-the-Shelf (COTS) product, the DAI program conducted two CRPs. The CRPs consisted of testing scenarios within the configured COTS product based on pre-determined test scripts that represent the execution of the financial management processes that are in scope for DAI. CRP1 focused primarily on testing individual functions within the configured COTS solution.

The program metrics shown in Figure 3-35 were achieved as a result of CRP1:

- The DAI Requirements Traceability Matrix (RTM) consists of 638 requirements for the DAI solution. Of those requirements, 336, or 53%, were deemed applicable to CRP1.
- Of the 336 requirements identified for CRP1, 258, or 77%, were fully or partially demonstrated successfully.

DAI completed CRP2 on July 25, 2008. CRP2 consisted of the core IOC functionality from CRP1 plus the addition of common enterprise interfaces. The following program metrics were achieved as a result of CRP2:

- The RTM identified 638 requirements for the DAI solution and 513 of those requirements were deemed applicable to CRP2. The 513 CRP2 requirements represent 80% of the noted solution requirements.
- As a means of prioritizing requirements leading up to pilot deployment, the DAI Project Management Office (PMO) determined that 209 of the 513 requirements were deemed Priority 1 requirements, or those necessary for BTA pilot deployment on October 1, 2008. The remaining requirements are being addressed through on-going, concurrent activities to enhance the Global Model for deployment to the second pilot and remaining Wave I Agencies.

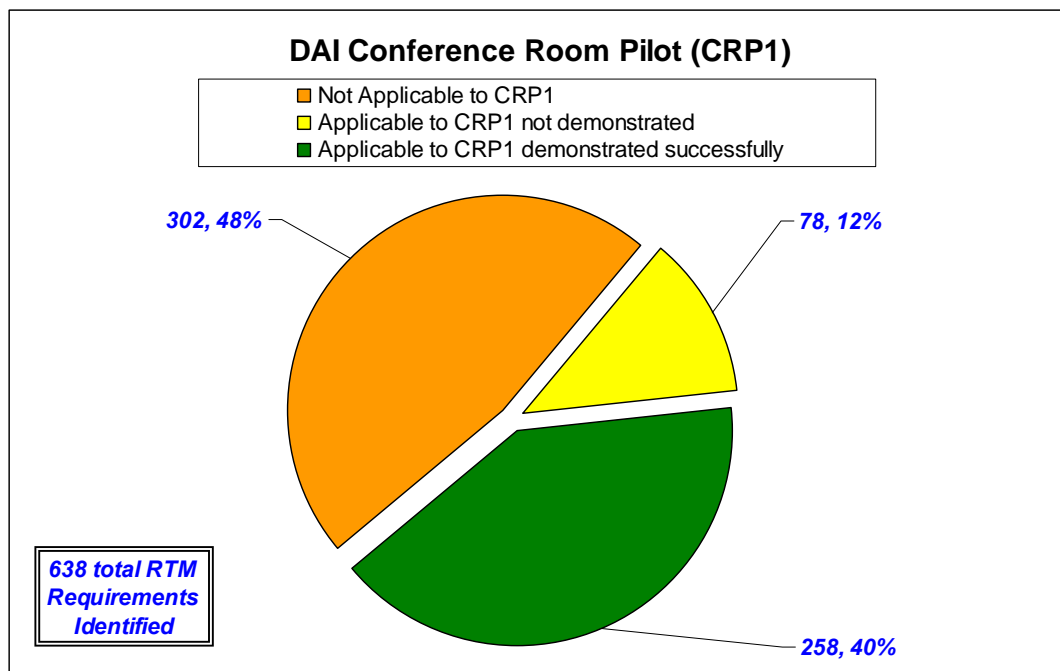


Figure 3-35: CRP Metrics



Enterprise Funds Distribution (EFD)**Description**

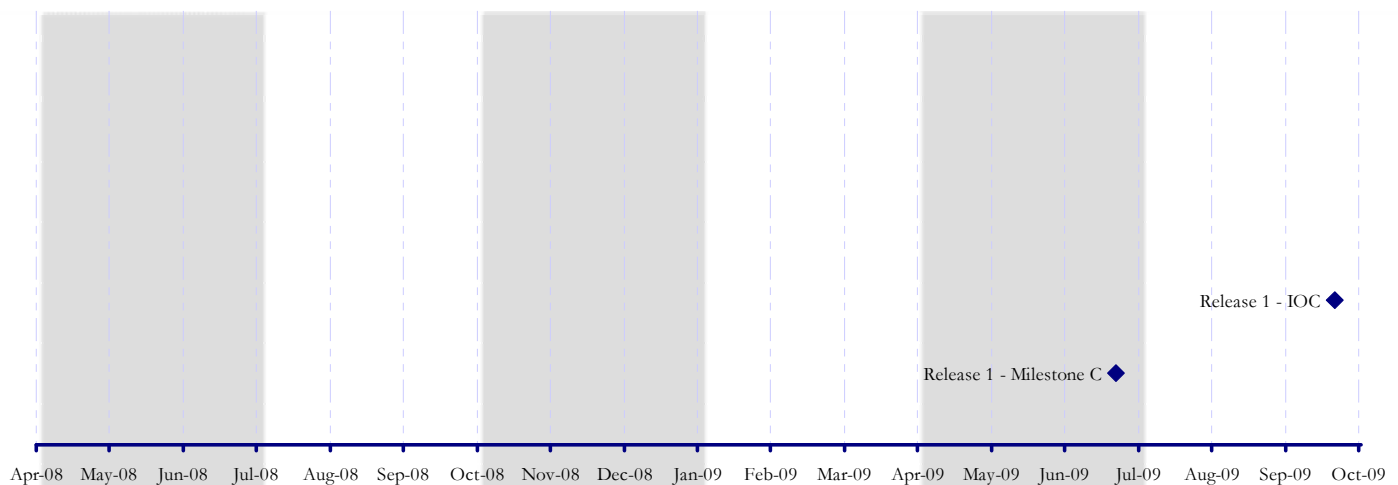
The objective of EFD is to increase visibility, auditability and efficiency in the management of distributed funds and congressional actions. EFD will minimize duplication of core capabilities across Components and provide visibility both vertically (echelon levels) and horizontally (enterprise-wide). Initially, EFD will enable automation of Office of the Secretary of Defense (Comptroller) (OSD(C)) funds management processes to include managing apportionments, distributing budget authority to the Military Services and Defense Agencies, managing rescissions, managing continuing resolutions and re-aligning (e.g., formal and below threshold reprogramming) budget authority as needed to support changes in funding priorities throughout the year. EFD will leverage the Standard Financial Information Structure (SFIS), which includes the Organization Unique Identifier (OUID) to provide fully visible funding data (e.g., appropriation, apportionment, etc.) to the echelon II level.

Approach

EFD functionality will be implemented incrementally. The initial focus will be on re-engineering and re-tooling of OSD apportionment and high-level funds distribution processes. Additionally, capabilities that enable funds reprogramming, enterprise reporting and further visibility of distributed funds will follow.

Benefits

- The EFD initiative has been established to drive implementation of capabilities which provide the following benefits:
- Full visibility of appropriated funds as they pass through and across different levels of the enterprise.
- Streamlined funds distribution processes for all Department of Defense (DoD) appropriations
- Standardized funds distribution data across the enterprise
- Automated audit trail between President's Budget submission and appropriations enactments
- Automated processing of Funds Authorization Documents (FADs)
- Efficient tracking of Congressional Actions

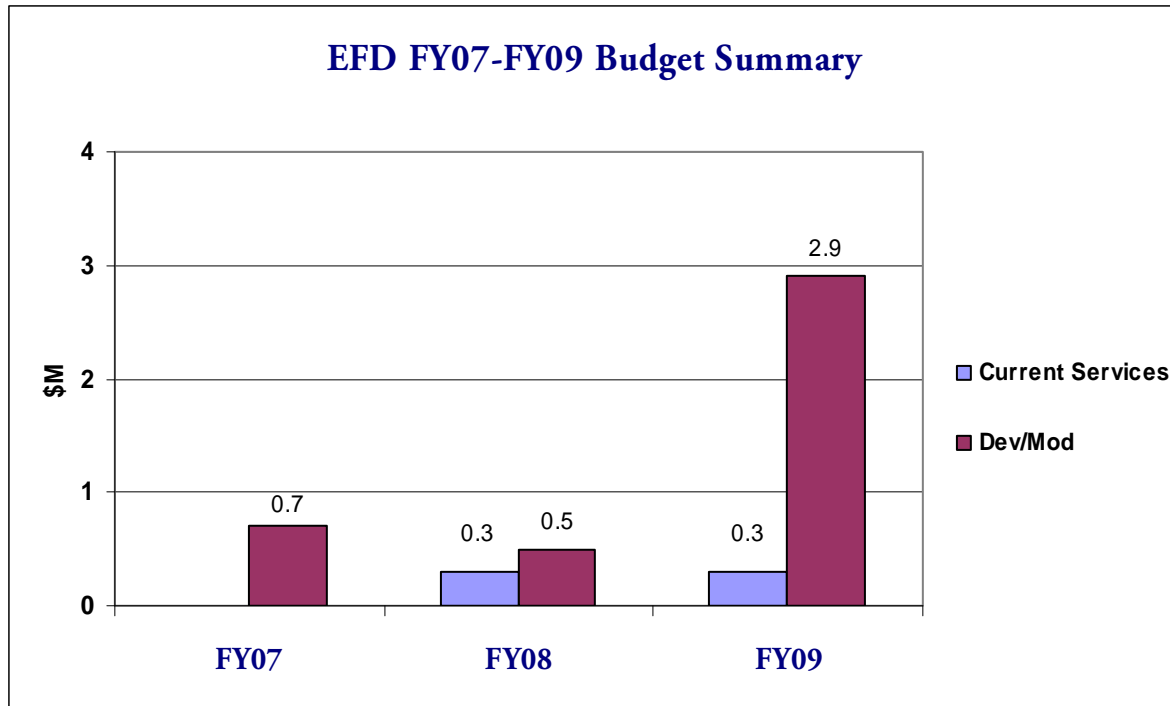
Timeline Diagram

Initiatives Do Not Include Legacy Migrations



Enterprise Funds Distribution (EFD)

EFD FY07-FY09 Budget Summary and Details



No Current Services funding was budgeted for FY07.

EFD funding levels have been increased through FY09 in order to achieve the program's near-term development activities. Specifically, EFD funding through FY09 supports system development activities focused on managing apportionments, distributing budget authority to the Services and Agencies and managing rescissions & continuing resolutions. Also included is the development of a funding structure, which leverages the DoD's OUID capability to provide fully visibility of funding to echelon level II.

Accomplishments/Capabilities Delivered:

- Achieved Milestone Decision Authority establishing the EFD Program in Q3 FY08.
- Completed EFD acquisition strategy and technology approach in Q3 FY08, which is based upon a COTS strategy for reducing overall development risk.

Near-Term Plans:

- Begin system development of EFD Release 1 (OSD Apportionments & high-level funds distribution processes) in Q1 FY09.
- Complete Release 1 - Milestone C including system development of EFD Release 1 and begin operational testing in Q3 FY09.
- Complete Release 1 - IOC including operational testing and begin production of EFD Release 1 in Q4 FY09.



Intragovernmental Transactions/Intragovernmental Value Added Network (IGT/IVAN)

Description

IGT/IVAN addresses a Department of Defense (DoD) material weakness (financial eliminations) through standardized and integrated processes and system components. It also provides enhanced visibility into the buying and selling elements of Intragovernmental transactions both within DoD and between DoD and other Federal Agencies. IVAN is an automated tool designed to implement the IGT requirements of the DoD Business Enterprise Architecture (BEA) and meets DoD business needs by:

- Serving as a database of order and acceptance information.
- Providing detailed transaction data.
- Aiding in reconciliation of financial eliminations.
- Enforcing DoD business rules to reduce the risk of Anti-Deficiency Act (ADA) violations.

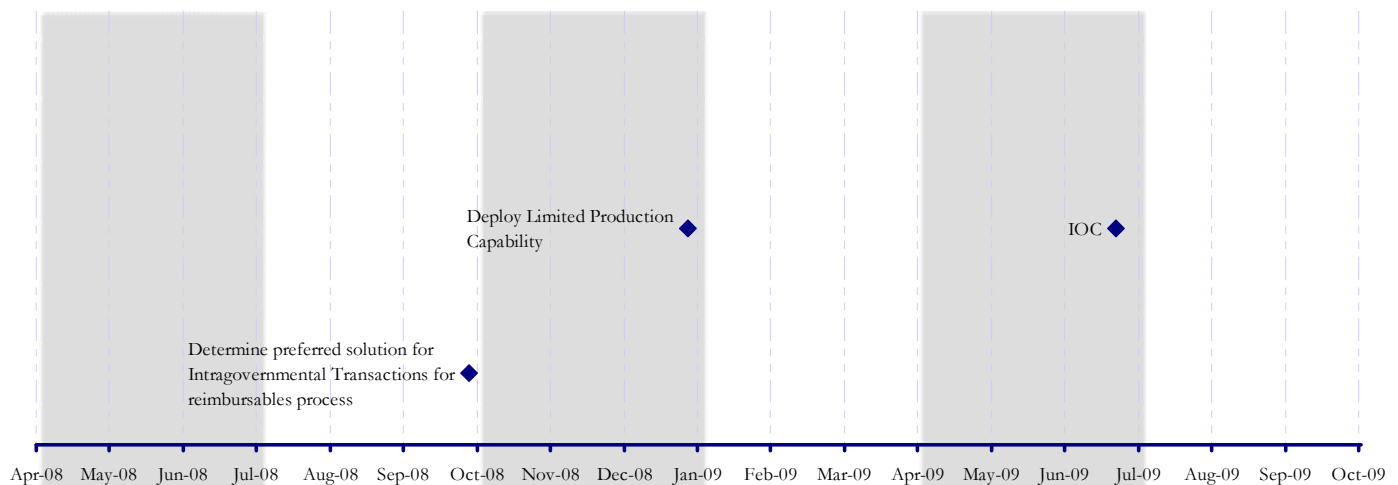
Approach

The IGT/IVAN, through a concept development phase, identified an approach for providing visibility to aid in the resolution of the Department's reimbursable weakness. The outcomes of the concept development demonstration included the ability to link Buyer and Seller sides of the transaction; An authoritative data source for order information; A source to support revenue collection; A source for spend analysis data; Better timeliness and accuracy of financial bookings (commitment and obligation); A link to detailed transaction data; and a report that supports reconciliation.

Benefits

- Provides better visibility of the transaction and the trading partners throughout.
- Able to reconcile and support eliminations data.
- Aids in solving a material weakness and reducing the amount of IGT related ADA violations.
- Reduces manual effort by providing an automated tool.
- Provides spend analysis data at the enterprise level for strategic sourcing.
- Supports better stewardship of taxpayer money.

Timeline Diagram

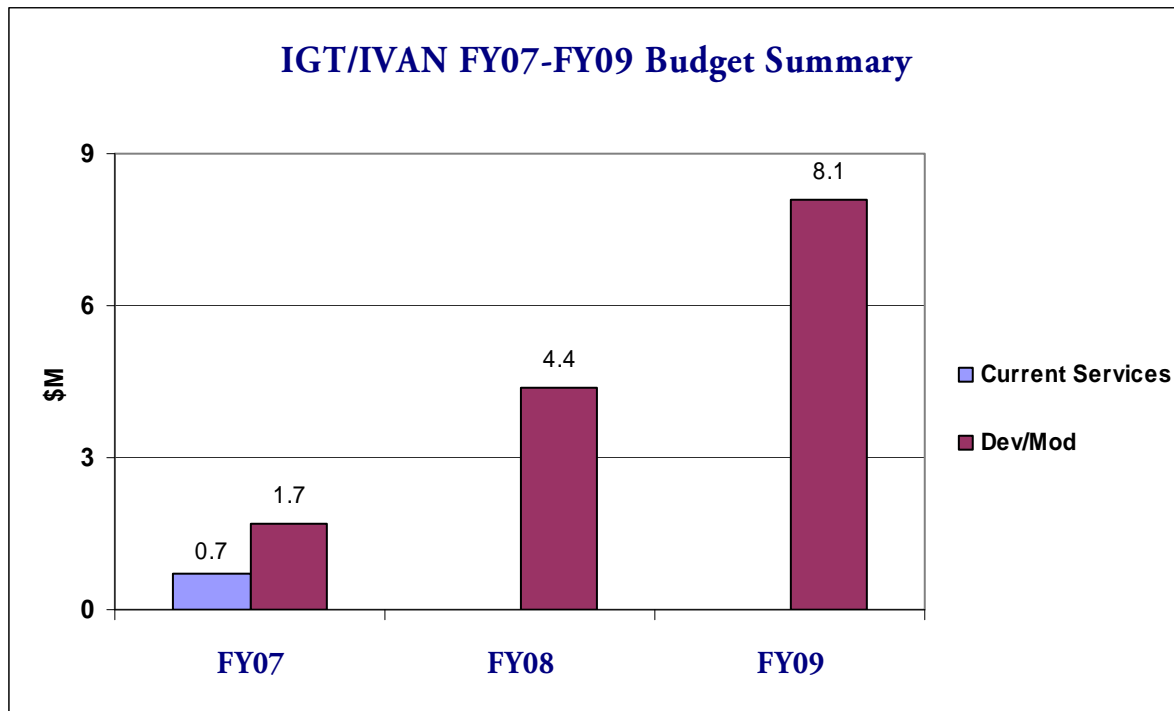


Initiatives Do Not Include Legacy Migrations



Intragovernmental Transactions/Intragovernmental Value Added Network (IGT/IVAN)

IGT/IVAN FY07-FY09 Budget Summary and Details



No Current Services funding budgeted for FY08-FY09.

The increase in funding in FY09 is intended to support implementation of the IVAN automated tool and reflects the transition from concept demonstration to a formal program effort.

Accomplishments/Capabilities Delivered:

- Completed proof of concept evaluation, in Q4 FY08, focusing on the viability of the proposed solution for IGT orders between DoD and other federal entities. Provided assessment of results to DoD leadership.
- Determined preferred solution for reimbursable intragovernmental transactions. Obtained a decision from the DoD leadership on the implementation of IGT/IVAN in Q4 FY08.

Near-Term Plans:

- Deploy Limited Production Capability in Q1 FY09.
- Achieve IOC in Q3 FY09, which provides the ability to create, approve, modify and accept Intragovernmental reimbursable orders, generate a trading partner report and where applicable provide commitment and obligation transactions to the appropriate accounting system.



Standard Financial Information Structure (SFIS)

Description

SFIS is the Department of Defense's (DoD) common business language that supports information/data requirements for budgeting, financial accounting, cost/performance management and external reporting across the DoD enterprise. SFIS provides an enterprise-wide standard for categorizing financial information along several dimensions to support financial management and reporting functions. These dimensions include: appropriation account, budget program, organizational, transactional, trading partner and cost accounting information.

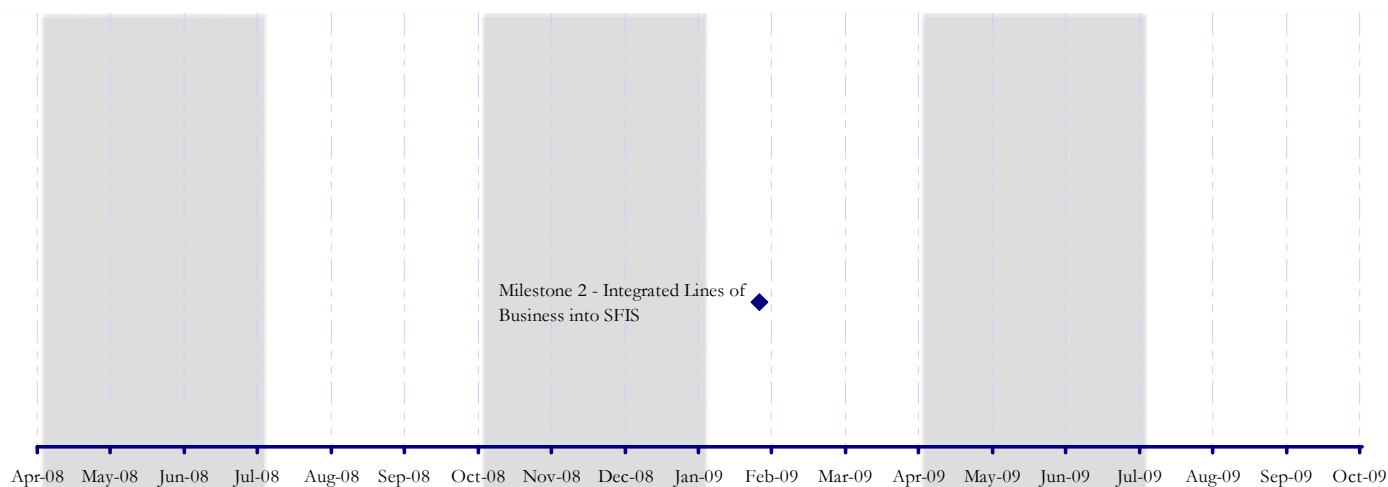
Approach

There is an SFIS Governance Board consisting of key members from the Office of the Secretary of Defense (OSD), Military Services and Defense Agencies. All changes are voted on and approved by the SFIS Governance Board. The SFIS is officially maintained in the Business Enterprise Architecture (BEA) and implementation is monitored through the Financial Management-Investment Review Board (FM-IRB). There are currently 72 approved data elements in SFIS. With the focus on training and implementation, there have been minimal changes over the last 12 months. There are four SFIS implementation strategies 1) Legacy Business Feeder, 2) Legacy Accounting, 3) Target Business Feeder and 4) Target Accounting. All business systems must submit SFIS implementation plans through their respective IRB. For target Enterprise Resource Planning (ERP) systems, Business Transformation Agency's (BTA) Enterprise Integration team is assisting with SFIS implementation to ensure standard and consistent configuration across the enterprise.

Benefits

- Standardizes financial reporting data to improve reporting accuracy across DoD.
- Enables decision makers to efficiently compare similar programs and activities by providing standard and comparable financial data across DoD.
- Provides decision makers the level of detail required for meaningful information retrieval.
- Improves the efficiency of maintaining business systems, thereby reducing costly maintenance and translation of non-standard data.
- Links program execution to performance, budgetary resources and actual financial information.

Timeline Diagram



Initiatives Do Not Include Legacy Migrations



Standard Financial Information Structure (SFIS)**Accomplishments/Capabilities Delivered:**

- Updated the draft DoD FMR Volume 1, Chapter 4; “Financial Management Coding Structure” to include SFIS in Q3 FY08.
- Evaluated 35 business systems in Q4 FY08, which need to be SFIS compliant as, determined through the IRB process. To assist program managers with implementing and maintaining SFIS compliant systems, these systems use the SFIS Compliance Checklist to assess compliance with all applicable SFIS requirements.

Near-Term Plans:

- Focus on SFIS implementation and interoperability in target business systems in Q4 FY09, particularly for all major ERP programs to ensure standard implementation and configuration.
- Continue to develop SFIS compliant standard interfaces for Enterprise systems and ERPs in Q4 FY09. Today, many of the target business feeder systems and accounting systems have several specific interfaces for the same business transaction. The standard interfaces will eliminate that need.

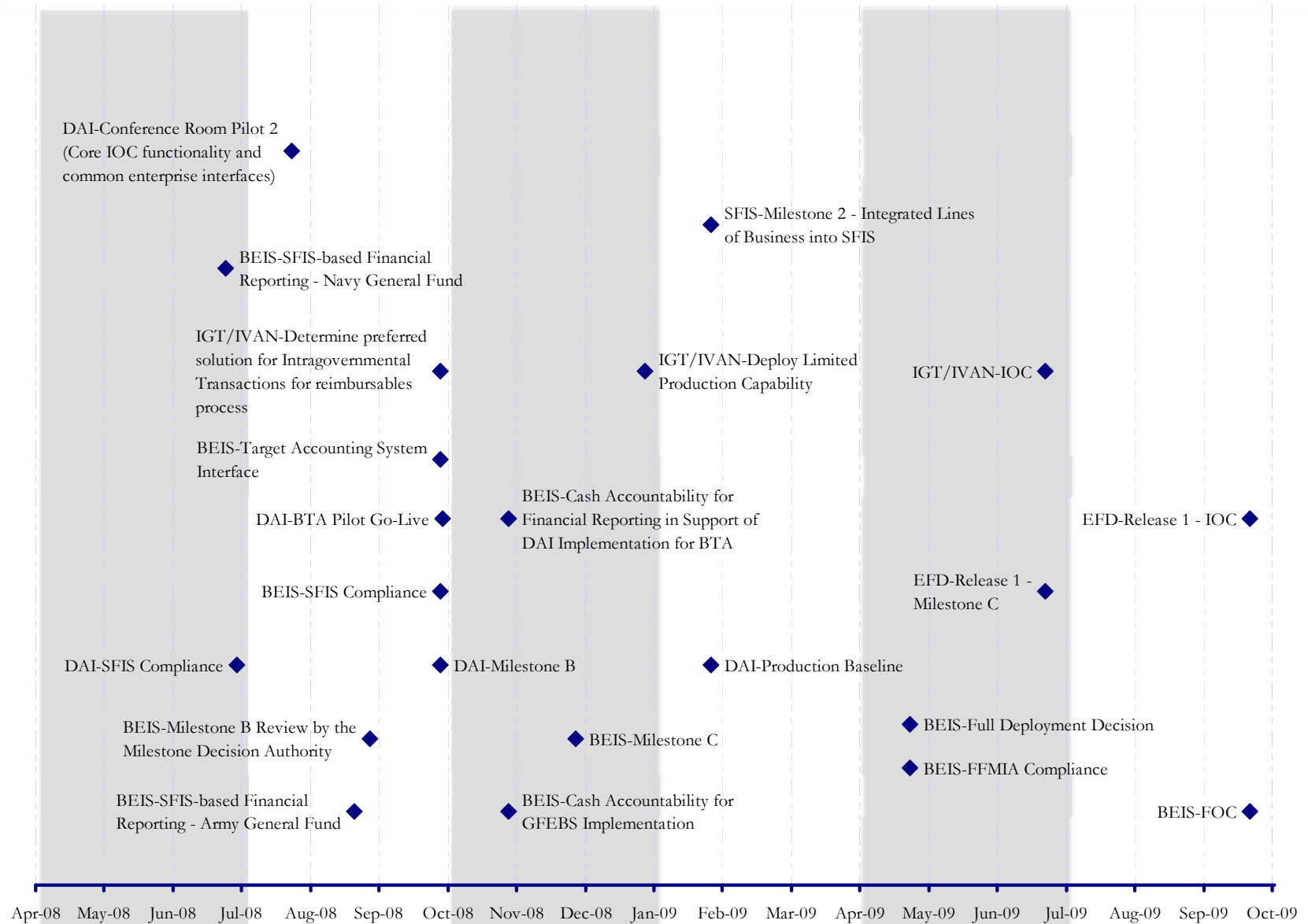


Financial Visibility Dashboard

Financial Visibility (FV)																									
<p>Financial Visibility (FV) provides immediate access to accurate and reliable financial information (planning, programming, budgeting, accounting and cost information) to improve financial accountability and efficient and effective decision making throughout the Department in support of the missions of the warfighter.</p> <p>The goal of FV is to effect changes in financial management aimed at reducing investment and operating costs by facilitating ever-improving accountability, efficiency and decision making.</p>	Systems & Initiatives																								
	Transformational																								
	Business Enterprise Information Services (BEIS) Defense Agencies Initiative (DAI) Enterprise Funds Distribution (EFD) Intragovernmental Transactions (IGT/IVAN) Standard Financial Information Structure (SFIS)																								
	Fully Implemented																								
Objectives	None																								
<ul style="list-style-type: none">Produce and interpret relevant, accurate and timely financial information that is readily available for analyses and decision makingLink resource allocation to planned and actual business outcomes and warfighter missionsProduce comparable financial information across organizationsAchieve audit readiness and prepare auditable financial statements	FY07-FY09 Budget Summary																								
Changes since the March 2008 Congressional Report	<p>The chart displays the budget breakdown for four categories: BEIS (blue), DAI (yellow), EFD (green), and IGT/IVAN (cyan) across three fiscal years. The total budget for each year is shown at the top of the bars: \$34.8M for FY07, \$49.2M for FY08, and \$48.3M for FY09. The Y-axis represents the amount in millions of dollars (\$M), ranging from 0 to 60.</p> <table><tr><th>Fiscal Year</th><th>BEIS</th><th>DAI</th><th>EFD</th><th>IGT/IVAN</th><th>Total</th></tr><tr><td>FY07</td><td>11.5</td><td>20.2</td><td>0.7</td><td>2.4</td><td>\$34.8M</td></tr><tr><td>FY08</td><td>19.2</td><td>24.8</td><td>0.8</td><td>4.4</td><td>\$49.2M</td></tr><tr><td>FY09</td><td>20.6</td><td>16.4</td><td>3.2</td><td>8.1</td><td>\$48.3M</td></tr></table>	Fiscal Year	BEIS	DAI	EFD	IGT/IVAN	Total	FY07	11.5	20.2	0.7	2.4	\$34.8M	FY08	19.2	24.8	0.8	4.4	\$49.2M	FY09	20.6	16.4	3.2	8.1	\$48.3M
Fiscal Year	BEIS	DAI	EFD	IGT/IVAN	Total																				
FY07	11.5	20.2	0.7	2.4	\$34.8M																				
FY08	19.2	24.8	0.8	4.4	\$49.2M																				
FY09	20.6	16.4	3.2	8.1	\$48.3M																				
<p>There are no changes to the list of target transformation programs for Financial Visibility.</p>	<p>SFIS program is funded from within operating budgets of affected Components and/or BTA.</p>																								



FV Milestone Summary



Section III: Component Transformation

Chapter 4: Component Transformation Overview

This section provides transformation updates for the following Components:

- Department of the Army
- Department of the Navy (DON)
- Department of the Air Force
- Defense Logistics Agency (DLA)
- United States Transportation Command (USTRANSCOM)
- Defense Finance and Accounting Service (DFAS)

As shown in Figure 4-1, the Components have designated programs and other investments to help achieve their business transformation priorities. For all solutions, deployment involves implementing process and policy changes, training staff, implementing the necessary facility improvements and realigning organizations and roles to the target solution to increase business value.

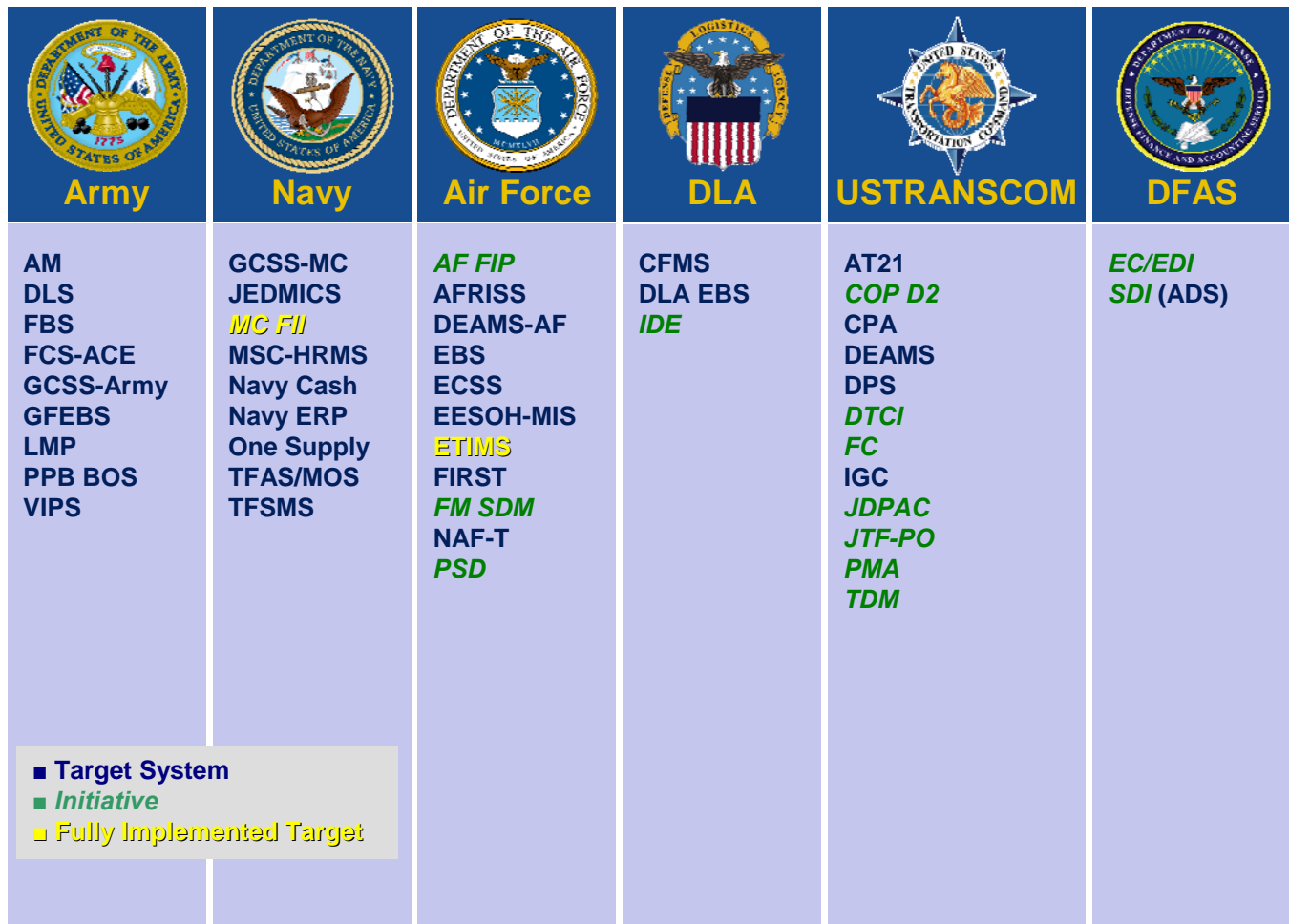


Figure 4-1: Systems and Initiatives to Achieve Component Priorities



Figure 4-2 shows the overall proportional amount of dollars each Component plans to spend on the transformational programs shown in Figure 4-1 in FY08 and FY09.

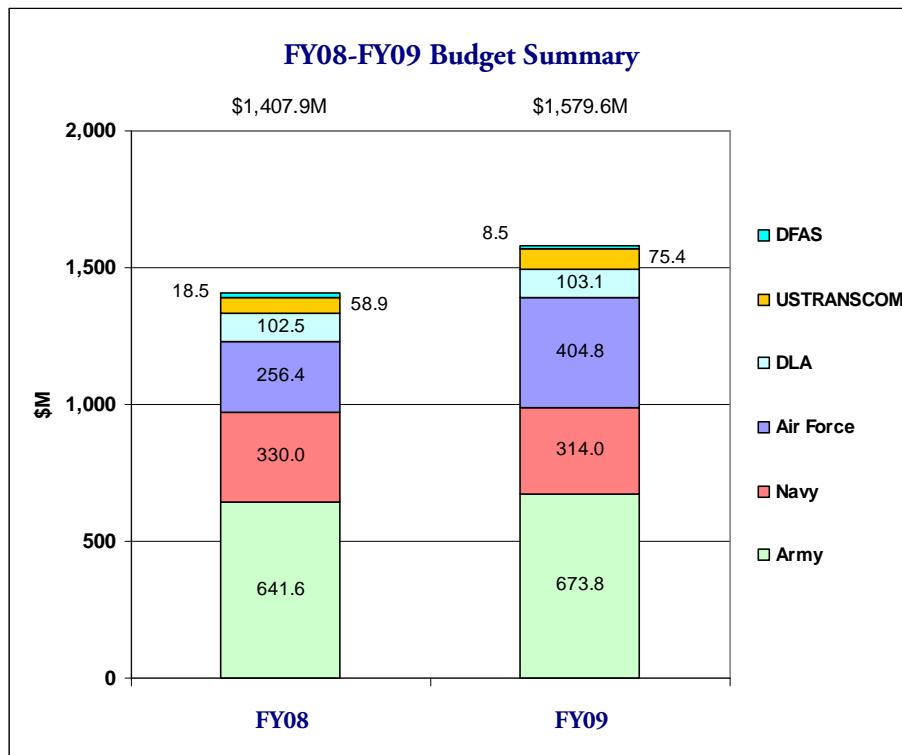


Figure 4-2: DoD Component Budget Summary

Table 4-1 is a Component budget summary based on the 2009 President's Budget (PB09). It includes budgets for systems and initiatives shown in Figure 4-1. The table also provides the Component and Medical budget totals for FY07, FY08 and FY09. The Department will have invested more than \$4B in the Components' transformations during these three fiscal years.

Table 4-1: Component Budget Summary (\$M)

	Component	FY07	FY08	FY09	Total
Component	Army	480.9	641.6	673.8	1,796.3
	Navy	341.6	330.0	314.0	985.6
	Air Force	282.8	256.4	404.8	944.0
	DLA	138.1	102.5	103.1	343.7
	USTRANSCOM	29.8	58.9	75.4	164.1
	DFAS	7.9	18.5	8.5	34.9
	Component Total	1,281.1	1,407.9	1,579.6	4,268.6



The following chapters present the Department's transformation efforts for the Components and their plans for continuing to achieve their priorities during FY09. The goal for the content of the September 2008 Enterprise Transition Plan is to deliver DoD business transformation information that not only responds to the requirements of the Fiscal Year 2005 (FY05) National Defense Authorization Act (NDAA), but which is also relevant, useful and used. To accomplish this goal, the Department has revamped the format of these chapters and has moved material formerly presented in the virtual appendices to the following chapters. Table 4-2 provides a list of the Component narrative section headings and a description of the information presented.

Table 4-2: Component Sections and Descriptions

Component Sections	Description
Transformation Vision and Strategy	Describes the Component's overall transformation vision and the strategy for reaching the vision.
Business Transformation Overview	Presents the Component's business transformation goals for the coming fiscal year and describes the environment within which transformation will occur. Provides a perspective as to what has been accomplished and what remains to be done.
Priorities Overview	Presents a list of the Component's priorities and provides brief definitions and/or describes the rationale for arriving at this list of priorities.
Programs and Initiatives to Priorities Mapping	Priorities for each Component are mapped to the transformational programs and activities.
Priorities and Metrics	<p>This section begins with an introduction to the priority, which describes the priority and provides a perspective for how it fits in the Component's transformation vision and strategy. If the Component is reporting priority metrics, they are included here. Priority metrics are performance measures for achieving the priority. They provide insight into the progress the Component is making and form the basis for process improvement and future efforts.</p> <p>Section also includes reporting on the activity and plans of the Transformational Activities. These activities are not programs, but are activities undertaken to support achieving a Component priority. They could be activities that cross the doctrine, organization, training, materiel, leadership and education, personnel and facilities (DOTMLPF) spectrum, such as, policy changes, governance /leadership, or organization. The information provided describes the goal and scope of the activity and how it supports the priority.</p>



Component Sections	Description
Transformational Programs	<p>Transformational programs include both systems and initiatives. They provide the solutions required to achieve a specific transformational business capability, or set of capabilities. These programs also help to achieve each Component priority's objectives.</p> <p>Section provides basic information about a target program at a glance, including: program name, description, approach and benefits, a timeline diagram that includes the program's milestones and information on legacy system migrations, Budget Summary and Details, if any; Accomplishments/Capabilities Delivered; Near-Term Plans and System Metrics, if any.</p> <p>The milestone timeframe of April 2008 to October 2009 ranges from 6 months before the September 2008 ETP to 12 months following its publication. If a program does not have milestones in this timeframe, then there would be no timeline diagram.</p>
Fully Implemented Programs (if any)	<p>Programs that have achieved Full Operational Capability (FOC), as defined in Joint Chiefs of Staff Publication 1-02 as the, "full capability to employ effectively a weapon, item of equipment or system of approved specific characteristics and which is manned and operated by an adequately trained, equipped and supported military force or unit." These programs have achieved their transformational objectives.</p>
Component Table	<p>Provides basic information about the Component at a glance. These dashboards provide the Component's name, the vision and strategy, priorities, systems and initiatives, Changes since the March 2008 Congressional Report, the FY07-FY09 Budget Summary and the Budget Summary Details.</p>
Milestone Summary	<p>Provides the milestones for all of the target programs for the timeframe of April 2008 to October 2009. This timeframe ranges from 6 months before the September 2008 ETP to 12 months following its publication.</p>
Case in Point	<p>Provides a very specific story describing how an accomplishment delivered a clear benefit to the Component, the warfighter, or to the American people.</p>



Chapter 5: Department of the Army

Department of the Army Transformation Vision and Strategy

Army Vision

Relevant and Ready Landpower in Service to the Nation

Army Mission

In a global, strategic environment of persistent conflict and change and in the midst of war with a ruthless, adaptable enemy, the Army has undertaken the most radical transformation of its force structure since World War II. The Department is fielding the best led, best trained and best equipped Army in the world. Of the Nation's nearly one million Soldiers, almost 600,000 are serving on active duty and over 250,000 are deployed to nearly 80 countries worldwide. The Department is committed to providing Soldiers and their Families a quality of life commensurate with the quality of service to the Nation.



The Army is out of balance. The Army's readiness is being consumed as fast as it is built, from the combined effects of an operational tempo that provides insufficient recovery time for Soldiers, Families and equipment, a focus on training for counterinsurgency operations to the exclusion of other capabilities and Reserve Components being assigned missions for whom they were not originally intended or adequately resourced.

Therefore, the Army's top priority over the next few years is to restore balance through four imperatives: Sustain, Prepare, Reset and Transform.

Our institutional Army remains mostly a legacy of the Cold War industrial era in which it was formed. Support for our Combatant Commanders (COCOMS) and Soldiers in wartime requires a transformation of Army business practices and the enabling systems. The Army's business goals are to be wise and effective stewards of the resources provided by Congress; to free human and financial resources for high priority operational needs; to align our organizations to perform joint and individual functions effectively and efficiently; and to adapt our support systems to the requirements of an expeditionary Army at war.

Army's Business Mission Area (BMA) Mission

Support the Army Warfighter through world-class, net-centric access to knowledge, systems and services enabling confident and timely decision making across the Enterprise. Plan for and achieve strong Governance, effective Information Technology Portfolio Management (IT PFM) and an integrated BMA Architecture that, together, enable consistent guidance for end-to-end business process improvement and IT investment decisions.

Important tools for Army business transformation include capabilities-based IT PFM, enabling analyses that match emergent and existing systems to capabilities and identify capability gaps and redundancies; Lean Six Sigma (LSS), which provides a forcing function for process change and has now been adopted Army-wide and by the Office of the Secretary of Defense; and Organizational Analysis and Design (OA&D), which realigns organizations to better perform core functions.



Army Business Transformation Overview

The 2008 Army Posture Statement observes the following:

Army support systems, designed for the pre-9/11 peacetime Army, are straining under the accumulation of stress from six years at war.

Army business transformation goals have been revised to align with the Army's four imperatives. Transformation requires that, among other actions, the Army must:

- Continuously improve our ability to meet the needs of the COCOMS in a changing security environment.
- Continue to adapt institutions and the processes, policies and procedures, including business practices, to more effectively and efficiently support an expeditionary Army at war.

In alignment with current Army guidance, the goals of the BMA and its five Domains for business transformation include:

- Enabling an integrated and cost-aware operating picture and information framework, including the acquisition, financial, installation and environmental (I&E) management, logistics and personnel information required by all levels of execution for optimal management of the assets needed for the Army's Warfighting and BMA and for effective support of Soldiers and their Families.
- Synchronizing Army BMA business practices and programs with DoD, Joint and Army-wide people, processes and technologies.
- Improving the working relationships among functional leaders, program managers and system integrators and contractors to ensure effective metrics are developed and monitored for program and system cost, schedule and performance requirements.
- Continuing the improvement of IT investment management through the investment certification process, stronger Mission Area, Domain and cross-Mission Area governance of Army IT PfM, increased visibility and prioritization of Army IT budgets down to the individual system level and increased scrutiny of legacy systems and systems in sustainment.

Army Priorities Overview

The Army's business priorities are supported by business transformation programs that are products of the Army Vision and Mission and contribute to the achievement of the Army's business transformation goals.

The Army's business transformation priorities are the following:

1. Continue the integration of Enterprise Resource Planning (ERP) and other transformational systems and initiatives with the BMA lead, functional leaders, Program Executive Officer Enterprise Integration Systems (PEO EIS) and resource and program managers in close alignment with the Defense Business Transformation Agency (BTA).
2. Obtain a clean audit of Army financial transactions and improve end-to-end asset accountability and visibility by building a deployable financial management system integrated with an automated logistics system and associated elements—acquisition, Deputy Under Secretary of Defense Installations and Environment (DUSD (I&E)) and personnel.
3. Field the Defense Integrated Military Human Resource System (DIMHRS) in March 2009. Continue transformational efforts by leveraging the integrated personnel and payroll ERP system and reducing separate personnel systems development.
4. Continue the development of the Army's Enterprise Architecture (EA).
5. Improve business practices through continuous process improvements (CPI) to decrease operational cost and cycle times and reduce unnecessary work and rework.

Army Posture Statement:

Army support systems, designed for the pre-9/11 peacetime Army, are straining under the accumulation of stress from six years at war.

The Army's business priorities are supported by business transformation programs that are products of the Army Vision and Mission and contribute to the achievement of the Army's business transformation goals.



6. Continue development of geographic information systems (GIS) and other tools for real property planning, accountability and health, safety and environmental requirements.
7. Create the information management environment that provides all the information elements—including acquisition, financial, personnel, installations and environment and logistics—required by the enterprise to man, train and equip the Warfighter.

Army Program and Initiative Mapping to Priorities

The following table lists Army Transformational Programs and Initiatives and Transformational Activities. They are mapped to the applicable Priority. Note that all nine primary transformational IT programs align with Priority 7, the broad enterprise priority.

Programs and Initiatives	Priorities						
	1	2	3	4	5	6	7
Distributed Learning System (DLS)							•
Future Business System (FBS)							•
Future Combat System Advanced Collaborative Environment (FCS-ACE)							•
Global Combat Support System-Army (GCSS-Army)	•	•			•		•
General Fund Enterprise Business System (GFEBS)	•	•					•
Logistics Modernization Program (LMP)	•	•			•		•
Army Mapper (AM)						•	•
PPB Business Operating System (PBB BOS)							•
Virtual Interactive Processing System (VIPS)							•
Transformational Activities							
Enterprise Architecture				•			
DIMHRS-Army Implementation	•		•		•		
Environmental Line of Business (LOB)						•	
Real Property Asset Management (RPAM)						•	
Lean Six Sigma Programs (LSS)					•		
Organizational Analysis and Design (OA&D)					•		

Army Priority #1 and Metrics: Continue the integration of Enterprise Resource Planning (ERP) and other transformational systems and initiatives with the BMA lead, functional leaders, PEO EIS and resource and program managers in close alignment with DoD leadership.

At the direction of the Deputy Under Secretary of the Army and with a view toward cross-Domain and cross-Mission Area integration, IT investment governance has been strengthened through monthly meetings of the BMA Executive Board, which previously meet quarterly; it is a 3-Star/Senior Executive Service (SES) board consisting of the leads of the BMA Domains as well as representatives from Deputy Chief of Staff for Operations and Training, Chief Information Officer (CIO), Program Analysis and Evaluation, Army Materiel Command (AMC) and PEO EIS. For the integration of the Army's ERP systems, the Army ERP System Integration Task Force was organized under the acquisition program management oversight of the PEO EIS with the BMA as the proponent. Effective ERP integration benefits the ongoing development of the Army's business system architecture (see Priority 4). GCSS-Army, GFEBS and LMP support Priority 1.

Army ERP integration work is currently underway between the GFEBS and GCSS-Army programs. Central to this effort is incorporating the GFEBS financial template into the GCSS-Army solution. This integration effort will provide a single logistics and financial solution. Key to this integration effort is the expanded role



of the Product Lifecycle Management Plus (PLM+) program. PLM+ will provide enterprise master data, enterprise interface services and enterprise reporting capability for the logistics and finance communities. This priority supports achievement of the Business Enterprise Priorities of Common Supplier Engagement, Materiel Visibility, Real Property Accountability (RPA) and Financial Visibility (FV).

Metric: Successful Pilot Proves Concept

The GCSS-Army supply module is currently operational at the National Training Center (NTC), Ft. Irwin, California. This GCSS-Army pilot program, Figure 5-1, has been fully operational since February 2008 and is being used as a proof of concept of GCSS-Army Field/Tactical supply functionality. Metrics for this effort are tracked monthly and reported by the program manager to PEO EIS. The goal is to test various scenarios for the most effective business processes and deconflict irregularities. As the integrated solution is refined, the NTC instance will be expanded to test the integrated financials.

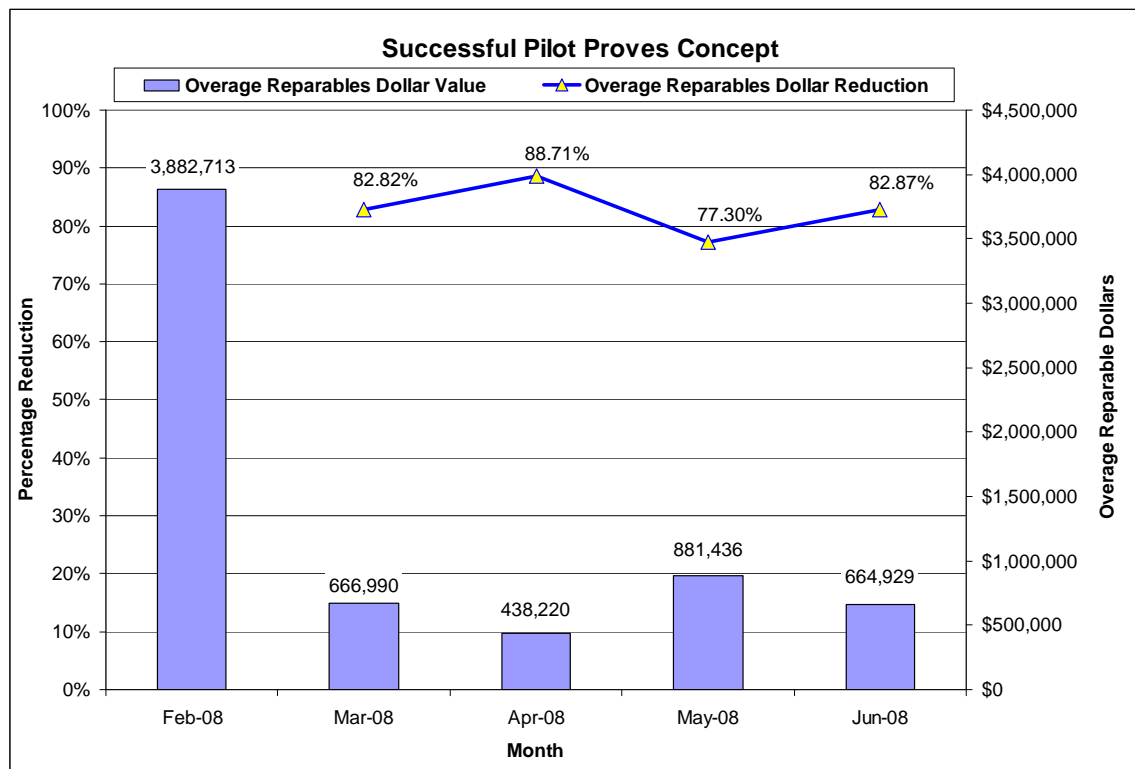


Figure 5-1: Successful Pilot Proves Concept

The goal of the GCSS-Army Operational Assessment and Continuous Evaluation is to demonstrate in a limited environment the value of the ERP technical approach to meet the Army's logistics field tactical operational requirements, an integral piece of the Army's integrated logistics and finance ERP solution. The tools delivered by GCSS-Army, including a single up-to-date database of overage reparable, have given NTC Commanders the visibility they need to effectively identify, track and turn-in a vast majority of the overage reparable in units. Data between February 1, 2008 and March 1, 2008 show a steady and steep decline in the value of overage reparable. This value has stayed below \$1M for the last 4 months, ranging between \$440K-\$880K. The Army is also validating critical technical and functional design characteristics of GCSS-Army and PLM+ systems being built for GFEBS and LMP, respectively.

Army ERP integration is currently in Phase 2, focused on GFEBS and GCSS-Army, which rationalizes a segment of financial and logistics business processes and part of the overall master data set. Phase 2 preserves the existing programs, brings the development closer together and delivers capabilities together. In Phase 3, the analysis for which is underway to transition the entire set of end-to-end financial and logistics business processes to a simpler and more integrated architecture.



Army Priority #2 and Metrics: Obtain a clean audit of Army financial transactions and improve end-to-end asset accountability and visibility by building a deployable financial management system integrated with an automated logistics system and associated elements—acquisition, I&E and personnel.

A clean audit of Army financial transactions has been a goal and demand of Congress and the DoD. It is an Army priority. To achieve the priority, the Army will continue to develop GFEBS, the associated integrated ERP systems and business modernization programs. The Army will also sustain the legacy systems that perform necessary financial, logistics and other business functions until they can be subsumed by the appropriate ERP. This priority supports achievement of the Business Enterprise Priorities of FV and RPA.

Metric: Training Approach Enables Clean Audit

A critical factor for obtaining a clean audit is compliance with the Federal Financial Management Improvement Act (FFMIA). Compliance means not only having a compliant system in place but also trained users. GFEBS has an aggressive training plan, shown in Figure 5-2, to support and ensure total FFMIA compliance. GFEBS is training over 79,000 end users via instructor-led training (ILT) and computer-based training (CBT) through Fiscal Year 2011 (FY11).

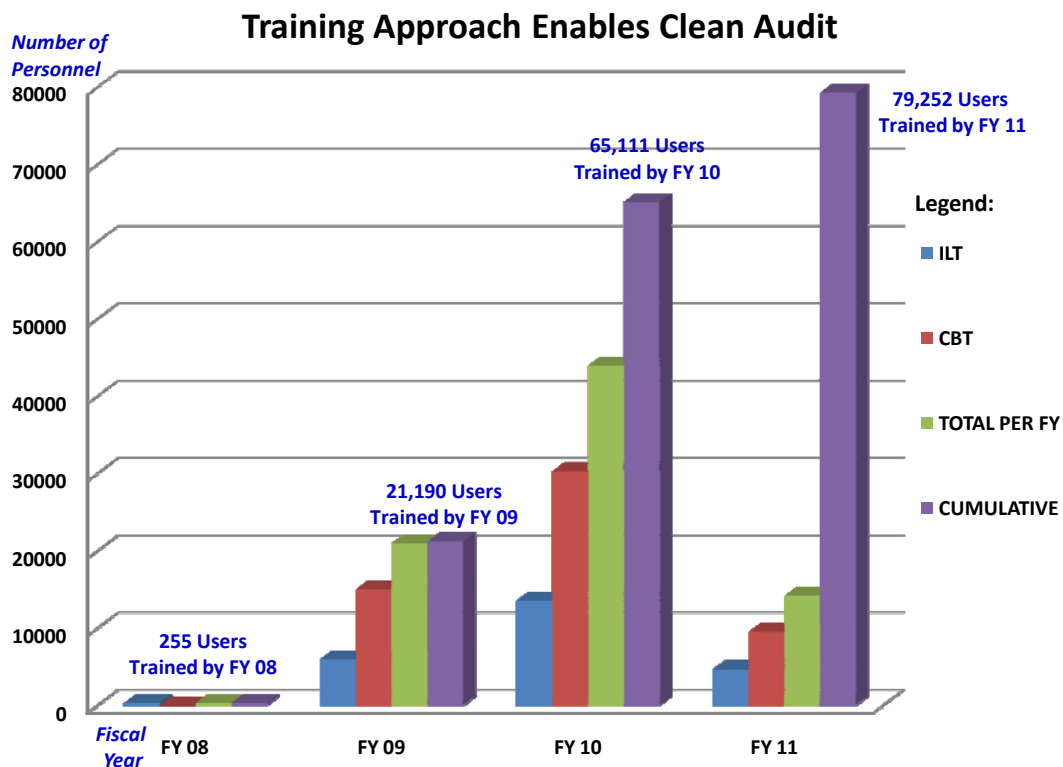


Figure 5-2: Training Approach Enables Clean Audit

The requirements process for GFEBS showed that compliance issues can be attributed to a lack of understanding by end users of the tools provided to measure compliance. To meet requirements, GFEBS is training over 24,000 end users via ILT. This will be formal, structured classroom training, led by an instructor, providing lessons on GFEBS functions including: 1) Financials; 2) Spending Chain; 3) Cost Management; 4) Reimbursables; 5) Funds Management; and 6) Plant, Property and Equipment. These functions will be in one Army solution for the first time. End users will obtain hands-on experience through the use of instructor demonstrations, practice exercises and a “production-like” training database environment. Computer Based Training (CBT) will be used for the remaining 55,000 personnel. GFEBS CBT will reduce overall training costs and afford end users flexibility to train around various schedules. This training will also be continually updated and available to all end users as continuous learning opportunities. This aggressive training plan



ensures users are ready as GFEBS is fielded and that personnel are capable of operating a fully FFMIA compliant system.

Army Priority #3 and Metrics: Field the Defense Integrated Military Human Resource System (DIMHRS) in March 2009. Continue transformational efforts by leveraging the integrated personnel and payroll ERP system and reducing separate personnel systems development.

An integrated military personnel system is a priority across DoD and for the Army. The development and fielding of DIMHRS in FY09 will be the first implementation of the system for DoD and will make possible the reduction of legacy systems and reduced development of separate personnel systems. In aid of this priority, the program management of DIMHRS, within the Army, has been moved to PEO EIS. This priority supports achievement of the Business Enterprise Priorities of Personnel Visibility and Financial Visibility.

Transformational Activities

DIMHRS-Army Implementation: The Army is preparing all components (Active, National Guard and Reserve) for DIMHRS implementation scheduled for Q2 FY09. DIMHRS is an integrated personnel and military pay enterprise solution. It is a Commercial Off-the-Shelf (COTS) product that incorporates commercial best practices. DIMHRS will ensure timely, accurate information and payroll actions that will directly impact every Soldier from all components.

The Army resources of the disparate military personnel and pay communities are being merged into a single enterprise to best support implementation of this combined Personnel and Pay (Per/Pay) system. The accuracy of Military Personnel and Pay data, within the Army and efficiency of Per/Pay services will significantly improve as a function of shared responsibilities and common practices amongst all three components. The elimination of redundant systems and duplicative personnel records will provide warfighters and garrison-based troops alike with precise and timely information and Per/Pay actions. The result of this priority is the retirement of 67 Army legacy systems supporting military pay and personnel.

Metric: Integrated Personnel and Pay System Allows Reduction of Legacy Systems

An important metric for the Army is demonstrating readiness for executing the retirement of legacy systems no longer needed with DIMHRS go-live. The Army's ability to retire legacy systems is dependent on three actions: identifying the potential systems for retirement including data that must be migrated from these systems to DIMHRS, verifying that DIMHRS functionality permits a system to be retired; and actually retiring the identified systems and verifying functionality. Figure 5-3 shows the Army's progress and planned goals in identifying legacy systems and a projected view of when functionality will be verified and systems actually retired.



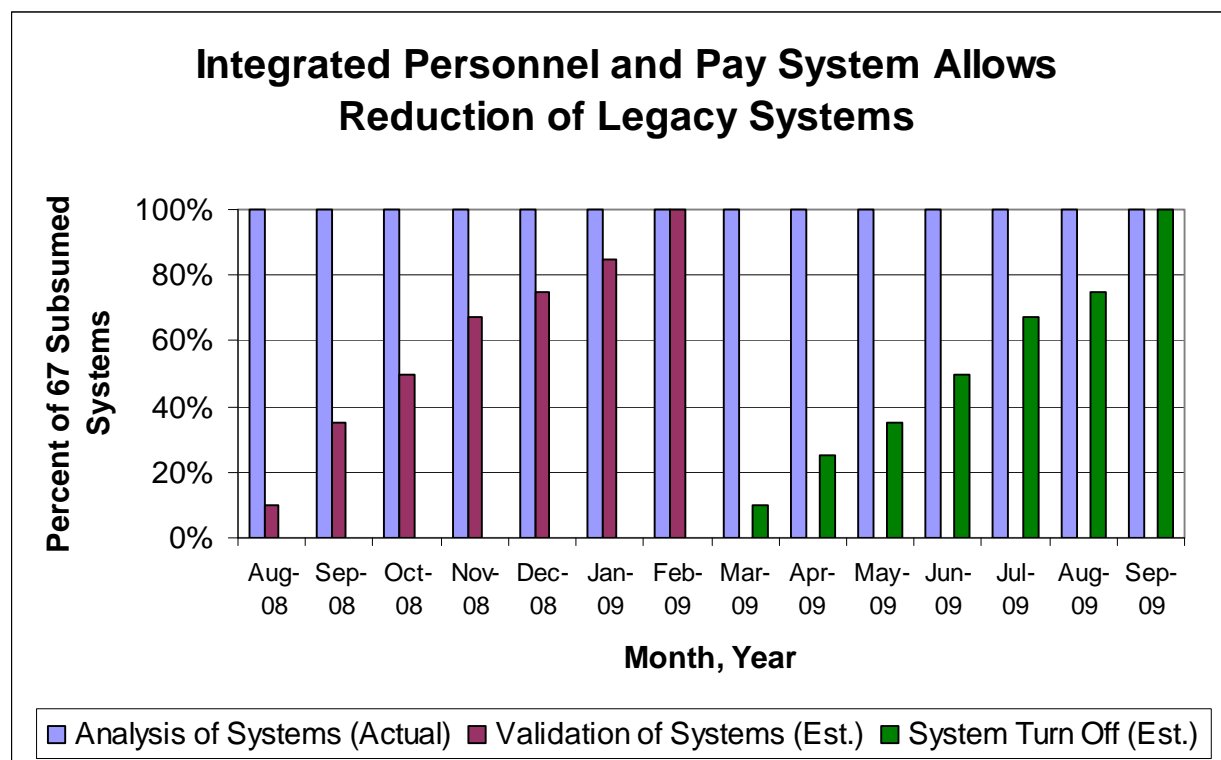


Figure 5-3: Integrated Personnel and Pay System Allows Reduction of Legacy Systems

Analysis of all Army legacy systems is complete. Validation of the gaps in functionality is ongoing; anticipated completion date of migration strategies is February 2009. An activity to retire Army legacy systems begin upon DIMHRS implementation in Q2 FY09 and anticipate completion by September 2009.

Metric: Progress Toward Integrated End-to-End (E2E) Personnel and Pay Business Processes

Figure 5-4, E2E Business Processes (BP), shows the Army's progress toward identifying and documenting the E2E BPs needed by the Army to revise personnel and pay policies, procedures, Soldier training and assessing staffing requirements affected with the implementation of DIMHRS.



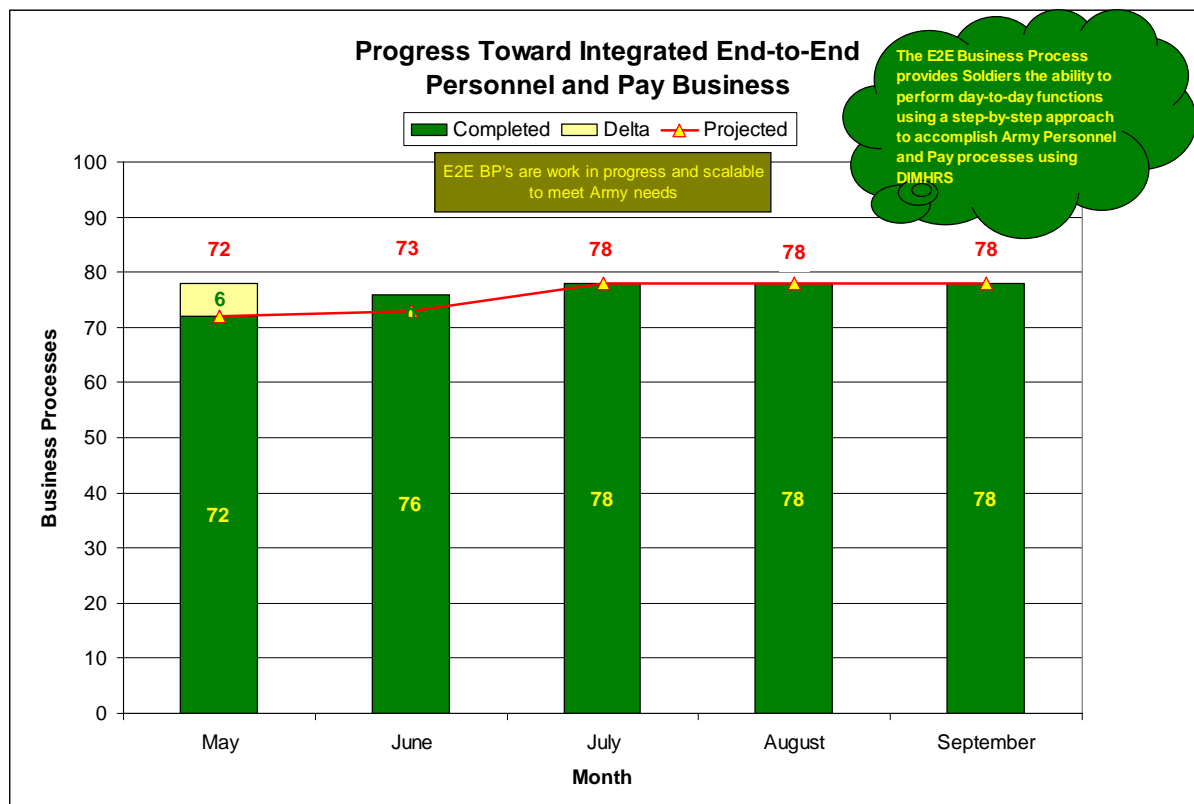


Figure 5-4: Progress Toward Integrated End-to-End Personnel and Pay Business

The metric above shows that 78 E2E BPs have been identified to date. The Army expects this number to increase as the Army sees and tests DIMHRS.

The Army is executing a comprehensive change management and strategic communications program to transform stakeholders from a state of unawareness about DIMHRS to awareness, understanding, acceptance, positive perception and adoption of the new system and its operational environment. The Army is conducting site visits to approximately 60 installations worldwide to brief senior leaders, Commanders, sergeants major, first sergeants, HR and military pay operators, Soldiers and supervisors on DIMHRS. Outreach efforts to publicize DIMHRS implementation, has been integrated into key Army conferences, events and Command briefings across all components to increase awareness and understanding of Military Personnel and Pay transformation and what it means for the Soldiers. Further communications efforts include public affairs engagements with various internal and external media as another vehicle to raise awareness and understanding of DIMHRS and what it will provide to Soldiers, their families and the Army.

The Army is executing a comprehensive change management and strategic communications program to transform stakeholders from a state of unawareness about DIMHRS to awareness, understanding, acceptance and ownership of the new system and its operational environment.

Beginning in August 2008, the Army is using a combination of resources for user education, including distributed learning, computer based training, self-paced study guides and an instructor-led train-the-trainer program to educate over one million Soldiers; an estimated 100,000 human resource (HR) and military pay operators, including DIMHRS administrators will also be trained to administer and use the new system. The Army will be trained and ready for DIMHRS implementation.



Accomplishments/Capabilities Delivered:

- Completed 78 Workforce Readiness Packages (WRPs), Work Center Readiness Packages (WCRPs) and Training Support Packages (TSPs) in Q4 FY08. WRPs are overviews that explain the existing business processes, as well as the to-be process within DIMHRS. WCRPs explain how E2E BPs (see figure 5-4) will function in DIMHRS. The WCRPs will help proponents understand the changes DIMHRS will bring so that they can appropriately update current Army regulations and guidance documents in preparation for DIMHRS implementation. TSPs are complete sets of integrated training products, materials and information necessary to train one or more tasks.
- Developed 3,578 functional test scenarios for System Acceptance Testing (SAT) for testing and 20 additional scenarios in Q4 FY08. These scenarios will also be run during Multi-Service Limited User Testing (MLUT) and Operational Test and Evaluation (OT&E).
- Ongoing delivery of monthly Incremental Data Loads (IDL) to Enterprise Program Management Office (EPMO); reduced preparation time from five to three days (40%).
- Completed approximately 60% of the Army reports, cubes or queries (RCQ) planned for Initial Operational Capability (IOC) and submitted to DIMHRS Program Management Office in Q4 FY08; Required Army RCQs are under continuous development. This development will continue through IOC.
- Completed military pay transition visits to US Army Forces Command, US Army Pacific Command and US Army Europe in Q3 FY08.
- Participated in system integration testing and system acceptance testing is expected to be completed in Q4 FY08.
- Reviewed all (158) Human Capital Management (HCM) roles and approved 37 modification requested in Q4 FY08.
- Participated in three “Try DIMHRS” events in Q4 FY08 with several additional events planned prior to IOC. These events allow functional user the ability to “test drive” specific DIMHRS functionality (i.e. promotion functions and assignment functions in DIMHRS).

Near-Term Plans:

- Continue ongoing delivery of monthly IDL to Enterprise Program Management Office (EPMO) through Q2 FY09; reduced preparation time from five to three days (40%) in FY08.
- Complete 90% of the Army site visits, which inform Army leaders and Soldiers about DIMHRS, functions, implementation schedule and preparation requirements by Q2 FY09.
- Provide quarterly incremental releases that add functionality and permit the Army to identify and verify the ability to turn off other legacy systems after implementation in Q2 FY09.

Army Priority #4 and Metrics: Continue the development of the Army Enterprise Architecture.

The development of the Army business system architecture and its alignment with the BEA is a requirement addressed in FY05 National Defense Authorization Act (NDAA). The Army EA efforts in the Army BMA have been focused on developing Domain architectures. Though Domain and system architectures were individually mapped to the Business Enterprise Architecture (BEA), they were not federated or integrated. The Army BMA has hired a lead architect to develop the architecture. Initial efforts are focused on federating existing EA artifacts, using the BEA as the ontology. Because a priority has been placed on rationalizing the Army ERP environment, the main focus of effort has been on federating the ERP EA artifacts and on establishing standards for enterprise master data used by the ERP systems. This work will fulfill Priority 4. This priority supports achievement of all Business Enterprise Priorities.



Metric: Closing Army EA Gaps

The requirement to identify and eliminate capability overlaps and gaps is the primary focus of BMA and Domain architects tracking progress towards federation of the Army's EA. The goal, depicted in figure 5-5, is to eliminate all gaps in the Army's BMA EA by FY10. The tool used to track progress on a quarterly basis is Architecture Compliance and Requirements Traceability (ACART), a BEA compliance tool.

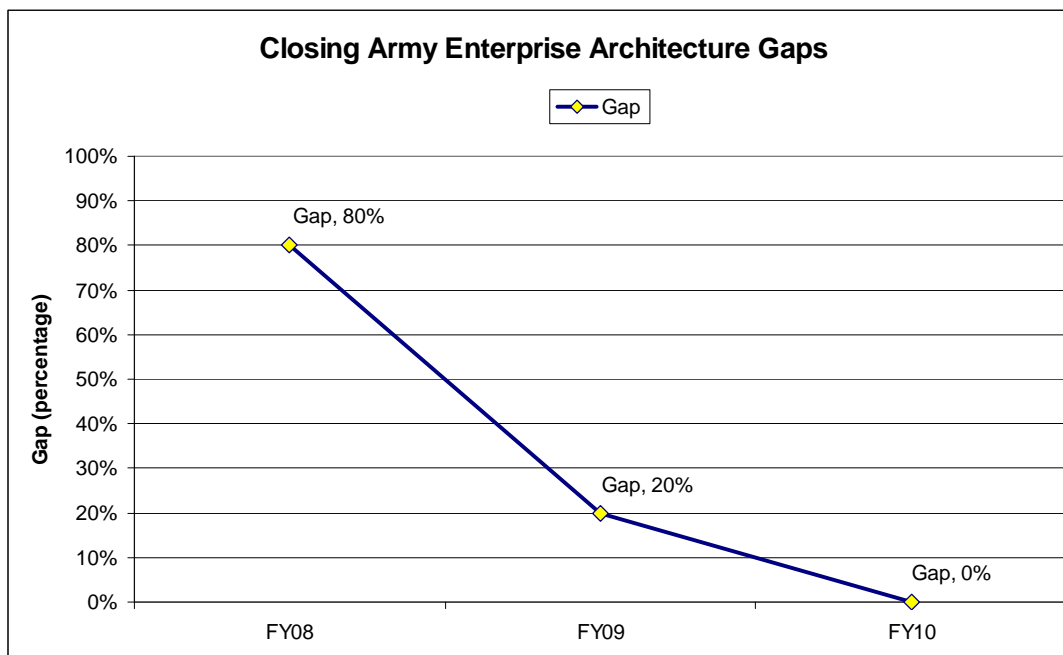


Figure 5-5: Closing Army Enterprise Architecture Gaps

The use of Army individual Domain contributions to the federated architecture will overcome challenges represented by different architecture tools and levels of maturity as well as periodic updates of BEA products. Because capability gaps can also exist due to a lack of information in the appropriate repositories, the consistent use of the ACART tool across the Domains is a key strategy to expose resource gaps. The goal for FY10 of a fully federated, baseline Army architecture will be accomplished utilizing ACART to identify capability gaps and develop mitigation strategies and action plans.

Transformational Activities

Enterprise Architecture: Each of the Army's BMA Domains is using its enterprise architecture to augment and enable its portfolio management activities. By mapping to a comprehensive business taxonomy, the Domains are identifying IT system redundancies, managing programs and investments, identifying information and information management requirements and planning for a more efficient and effective future.

Accomplishments/Capabilities Delivered:

- Conducted workshops to scope architecture issues requiring more detailed definition, e.g., master data, end-to-end processes, software configuration in Q2 and Q3 FY08. This is a requirement for rationalizing the ERP landscape.
- Conducted Analysis of GFEBS/GCSS-Army/PLM+ technical direction to inform ERP EA development in Q3 FY08.
- Initiated Army EA federation initiative that focuses on existing Domain architectures in Q3 FY08. Federation of Domain architectures will result in a single Army BMA EA, having BEA as the basis.
- Defined Master Data standards for Customer and Vendor for use by GCSS-Army, GFEBS and LMP ERPs in Q3 FY08. This completes standardization of key data sets for the Army enterprise.



- Completed initial Army EA federation of Financial Management and Logistics Domains in Q4 FY08.

Near-Term Plans:

- Define master data standards for Material, Equipment and Asset in Q2 FY09. Addresses key data required for total asset visibility.
- Develop Global Design for Army ERP integration in Q3 FY09. Provides design for integrated enterprise for Army BMA.

Army Priority #5: Improve Business Practices through Continuous Process Improvement (CPI) to Decrease Operational Cost and Cycle Times and Reduce Unnecessary Work and Rework.

As both methodology and enterprise attitude, CPI has been embraced by Army leaders and significant number of Army organizations. In particular, LSS practices and the outcomes of OA&D studies and recommendations continue to be institutionalized and used as tools for improving Army processes and the work of its organizations. In addition, GCSS-Army, LMP and PPB BOS serve as powerful forcing functions for CPI in the Army processes and organizations they touch. This priority supports achievement of all Business Enterprise Priorities.

Transformational Activities

LSS Programs: A fundamental Army issue is that there are significantly more resourcing requirements than funding. The goal of LSS is to reduce these requirements and still accomplish the mission effectively and efficiently. LSS is transforming business processes and functions in the Army to provide improved value and responsiveness for customers while reducing cycle time and cost, all accomplished through a culture of continuous, measurable improvement. The program also coordinates with the DoD CPI program to meet the Deputy Secretary of Defense priorities for improving all associated business processes.

Metric: Streamlined Processes Produce Financial Benefits

Army LSS program maturity continues to grow since its inception in FY06. As organic resources grow, so will the opportunities for improving processes and cost savings. Figure 5-6 illustrates this trend.

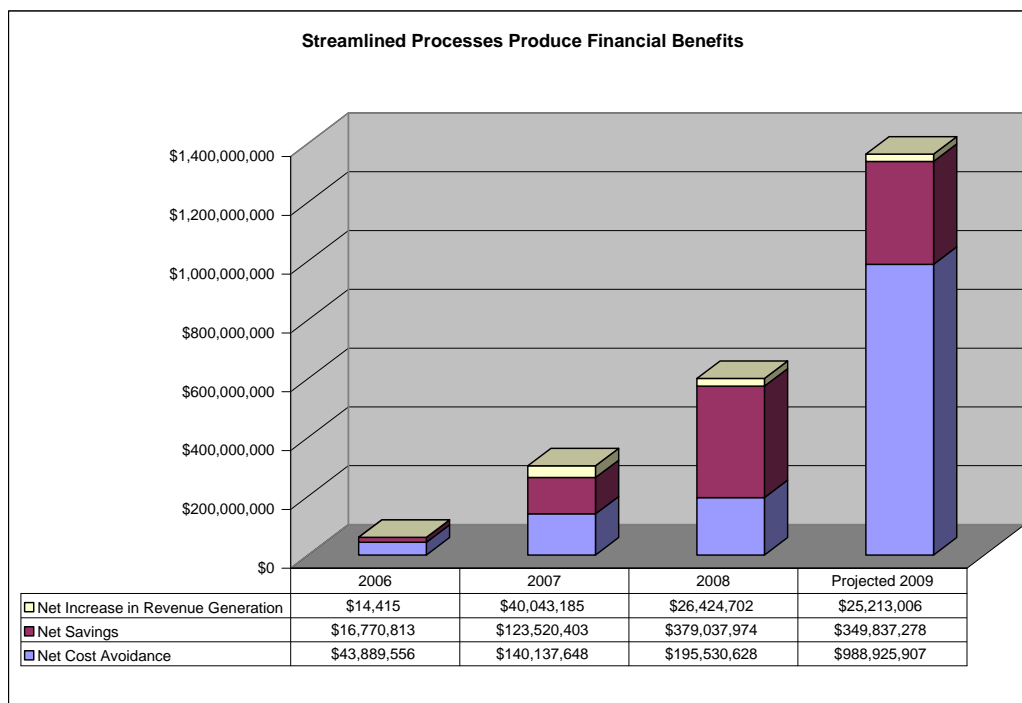


Figure 5-6 Streamlined Processes Produce Financial Benefits



This chart illustrates financial benefits realized in previous and current fiscal year and projected financial benefits in FY09. These projects undergo a rigorous project management “gate” process that ensures analytical and control mechanisms are in place to sustain long-term efficiencies. Financial benefits have three categories: revenue generation, savings and cost avoidance. Revenue generation increases dollar flow into the Army over and above appropriated funds, such as installations opening their community pool to the public and charging an entrance fee. Savings are cost reductions from budgeted programs that are reapplied to high priority efforts. Cost avoidance occurs when a process improvement reduces the amount of labor time, allowing workers to redirect their efforts to other missions, yet not necessarily realizing hard dollar savings.

Accomplishments/Capabilities Delivered:

- Trained and coached 51 Government Master Black Belt candidates as the Army’s long-term stewards of transformation in Q3 FY08. Master Black Belts mentor Black Belts and teach LSS practices, as well as provide enterprise-level, cross-functional project expertise.
- Embedded a culture of CPI with a proliferation of Green Belts - 3127 Army trained and 325 Army certified; Black Belts - 1051 Army trained and 162 Army certified by Q3 FY08.
- Trained 579 General Officers and Senior Executives as Executive Leaders to promote CPI at all levels of Army transformation of business processes and functions by Q3 FY08.

Near-Term Plans:

- Integrate the LSS Program of Instruction into other Army education opportunities in FY10, such as, the Army Logistics Management College’s Operations Research/Systems Analysis Military Applications Course (ORSA-MAC), providing school houses to train, coach and mentor the future Military and Civilian workforce for Army required Master Black Belts, Black Belts and Green Belts, avoiding the cost for contractor support of approximately \$10M - \$15M.
- Scheduled and train 3,000 Army Green Belts and at least 2,100 of them will be Army Certified, 1,500 Army Black Belts and at least 750 of them will be Army Certified by FY09. As a result, expected savings from LSS projects is \$4,250M.
- Scheduled and train and certify 60 Army Master Black Belts by the end of FY09, providing the Army with a self-sustaining LSS program and saving the cost of contract support Deployment Advisors of approximately \$15M - \$18M in FY09.

OA&D: At the direction of senior army leadership and in concert with the Deputy Under Secretary of the Army (DUSA) or at the request of an agency or command’s senior leadership and with approval by the DUSA, OA&D analyzes Army organizations to determine an optimal or requisite structure. OA&D conducts organizational interviews to gather data which is then analyzed to create a paradigm, defining eight distinct levels of work in accordance with General Order-00 (GO-00), “Managing the Headquarters, Department of the Army,” dated March 9, 2007.

The studies identify organizational structures that place too many layers (or too few) within one level of complexity and identifies managers who should be working at higher levels of complexity rather than attempting to perform a subordinates’ work, which leaves the organization unable to attain efficiencies or improve one’s effectiveness.

The studies intertwine with the two other areas of responsibility within OA&D: rewriting GO-03 (GO-3R), “Assignment of Functions and Responsibilities Within Headquarters, Department of the Army,” dated July 9, 2002; and the development of executive and tactical level training, by providing in-depth knowledge of an organization in order to effectively rewrite General Order-03 (GO-03) and providing case studies to be used in executive and tactical level courses.

The revised GO-03 will not only be a descriptive document, but also an executive instruction for Headquarters, Department of the Army (HQDA) Principals for the creation of an enterprise perspective. It will also provide a common language, clarify outputs, simplify workflows, establish requisite organizational structure and specify clear authorities, accountabilities and working relationships in the Department of the Army Headquarters.



OA&D has developed a pilot Senior Executive Service (SES) education course to improve the multifunctional business management skills of senior Army leaders. A pilot course was concluded in 2008. Once refined and approved, it will be offered by the Training and Doctrine Command (TRADOC) as the Army's first Senior Executive Education (SEE) Course, a 2-week course similar to a corporate business course, for SESs. A one week tactical level course will also be developed for mid-level civilian and military personnel.

Accomplishments/Capabilities Delivered:

- Received an update briefing from the Deputy Assistant to the Chief of Staff for Installation Management (ACSIM) on the recommendations and savings identified in the initial OA&D Installation Management Command (IMCOM) Study that was completed in 2006. OA&D had identified \$142M in savings as a result of its study recommendations. ACSIM validated the \$142M in savings and delved deeper into the IMCOM Study recommendations to identify potential additional savings within a 5-year period. The Deputy Under Secretary of the Army was briefed on these savings in July 2008.
- Briefed the Chief of Staff, Army (CSA) in July 2008 on initiatives to rewrite GO-03 and the development of the pilot SES courses. The CSA approved OA&D continuing efforts to rewrite GO-03 as part of the Army Enterprise effort and concurred with the development of the pilot SES courses.
- Completed the final draft study recommendations for the Army CIO/G-6 Study. OA&D and the Army CIO/G-6 staff finalized the study recommendations and implementation plan. Savings and efficiency data will be gathered after the implementation of approved study recommendations in August 2008.
- Completed the final study recommendations for the Office of the Administrative Assistant to the Secretary of the Army (OAA) Phase III Study. This organizational assessment was requested by OAA and consisted of reassessing the study recommendations made in the OAA Phase I and II studies, in contrast to a current mission. Savings and efficiency data will be gathered after the implementation of approved study recommendations in August 2008.
- Completed Phase II of the IMCOM Study in August 2008 to achieve a deeper review of the IMCOM Garrisons. The proposed Garrison management model identified in the study will reduce overhead. Savings and efficiency data will be gathered after the implementation of approved study recommendations in September 2008. Elements of the IMCOM Study will eventually align with the organizational analysis and design recommendations in the TRADOC Study.
- Completed the first of three 2-week Pilot SEE Courses, similar to a Corporate Business Course, for SES Civilians and select General Officers in August 2008.
- Submitted the final draft study recommendations for the Office of the Assistant Secretary of Army for Acquisition, Logistics and Technology OASA (ALT) Lifecycle Management (LCM) Stakeholder Organizational Analysis Study. OA&D and OASA (ALT) will meet to finalize the study recommendations and subsequent implementation plan. This collaborative process reinforces business transformation opportunities to attain efficiencies and improve effectiveness that will benefit the LCM stakeholders and customers. Savings and efficiency data will be gathered after the implementation of study recommendations in September 2008.

Near-Term Plans:

- Complete the organizational analysis and design study of TRADOC by November 2008. The new garrison management model, identified in the IMCOM Phase II Study, will reduce overhead and at the same time tie to TRADOC's Center of Excellence (COEs) at various installations. Savings and efficiency data will be gathered after the implementation of study recommendations.
- Complete the remaining 11 out of 25 Army Staff and Secretariat agency executive leader sessions and workshops during a collaborative rewrite of HQDA GO-03, "Assignment of Functions and Responsibilities within HQDA by December 2008.
- Develop and distribute the prototype for an enduring (living) "GO-03" executive guide for HQDA Principals to create an enterprise perspective. The new guide adopts a common language, clarifies



outputs, simplifies workflows, establishes requisite organizational structure and specifies clear authorities, accountabilities and working relationships in HQDA by October 2009.

- Transfer the SES course, under the SEE Program, from HQDA to the Army Civilian University at TRADOC to be incorporated into the civilian training management program by October 2009.
- Conduct a study of each Defense Base Closure and Realignment (BRAC) listed Army organization prior to realignment or move as a result of the savings and efficiencies gained through previous HQDA agency studies by January 2012.

Army Priority #6 and Metrics: Continue development of GIS and other tools for real property planning, accountability and health, safety and environmental requirements.

Various systems track information on the Army's real property assets and related matters; many of these are GIS-based. Army Mapper is new to the Army's list of transformational systems. It will consolidate disparate GIS-based programs. It supports Priority 6. This priority supports achievement of the Business Enterprise Priority of Real Property Accountability.

Metric: Consolidation of Geospatial Tools Advances Real Property Accountability

Through the deployment of Army Mapper, the Army as a whole will reduce costs for GIS services and provide standardized tools to Army installations worldwide.

This metric, shown in figure 5-7, is tracked by Office of the Assistant Chief of Staff for Installation Management in order to ensure compliance with Army requirements to reduce redundant information technology investments.

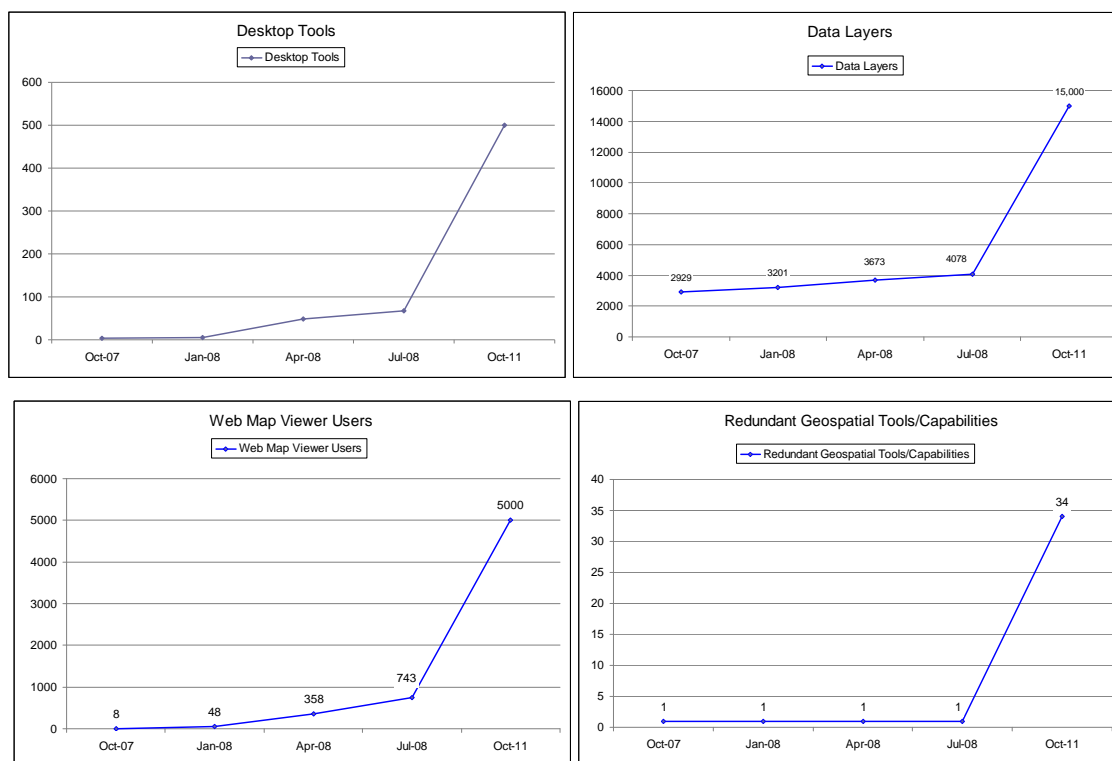


Figure 5-7: Consolidation of Geospatial Tools Advances Real Property Accountability

This metric tracks the aggregated completion of the four major development and deployment areas for Army Mapper: Data Repository population, Deployment to additional Web Map Viewer Users, Expansion of Desktop Tools and Reduction of Redundant Geospatial Tools/Capabilities. Development and deployment of capabilities will accelerate to FOC in October 2011. Once Army Mapper fulfills this priority, 35 current and legacy GIS systems can be replaced/retired.



Transformational Activities

Redesign Environmental Lines of Business (LoB): For the I&E Domain, the goal is to improve the cost-effectiveness and efficiency of the Army's environmental program, while reducing the time and costs associated with data storage, analysis and reporting. The program includes linking Army environmental liabilities recognition, valuation and reporting requirements and processes, as well as hazardous materials process controls and information management requirements into the BEA.

Accomplishments/Capabilities Delivered:

- Completed systems view architecture for Environmental Cleanup on Q2 FY08 and for Environmental Quality in Q3 FY08.
- Defined the Target "to-be" information flows and data requirements in support of the business process flows that will enable optimal decisions on IT capital investments in Q3 FY08.
- Completed required business case analysis of alternatives in accordance with Business Capabilities Lifecycle methodology in Q3 FY08.

Near-Term Plans:

- Establish enterprise web-based services in Q2 FY09 providing significant capability improvements including enterprise access to authoritative, standard geospatial data.
- Establish replication services in Q1 FY09 providing significant capability improvements including data backup, access to up-to-date data from installations.
- Establish Computer Aided Drawing (CAD) and GIS integration in Q2 FY09 providing significant capability improvements including access to a common installation picture, improved communication and data sharing across installations.
- Establish real property master planning support in Q4 FY09 providing significant capability improvements including improved planning and decision making.
- Support real property in Q2 FY10 providing significant capability improvements including improved data quality and availability for the real property community.
- Support reconciliation of environmental liabilities with real property assets in Q3 FY10 providing significant capability improvements including improved asset tracking and visualization.

Real Property Asset Management: The Real Property Asset Management (Accountability) initiative encompasses DoD Real Property business transformation initiatives including Real Property Inventory Requirements (RPIR), Real Property Acceptance Requirements (RPAR) and Construction in Progress Requirements (CIPR) to comply with DoD guidance and strategic direction. Current Army activities involve the review and consolidation of Real Property Inventory and Management Systems.

Accomplishments/Capabilities Delivered:

- Published Real Property Accountability Implementation Guide online for the Components, provides ease of access to guide and a single source of data in Q4 FY08.
- Incorporated and populated 100% of RPIR data elements in authoritative systems for Army, Navy and Air Force, providing consolidated data sources in a standardized format in Q4 FY08.
- Implemented sustainable Construction In Progress business processes for the Army, providing sustainable processes where previously none existed in Q4 FY08.

Near-Term Plans:

- Complete Installation Geospatial Information & Services (IGI&S) Policy and Standards, will provide ease of access to policies and standards and a single source of data in Q1 FY09.
- Enhance I&E geospatial visualization, will provide more visually viewable presentations in a standardized format in Q1 FY09.



- Complete development of Army wide environmental liabilities (EL) reconciliation process and standards at the land parcel level, will provide reconciled data source and standards at a level previously not available in Q1 FY09.

Army Priority #7 and Metrics: Create the information management environment that provides all the information elements—including acquisition, financial, personnel, installations and environment and logistics—required by the enterprise to man, train and equip the Warfighter.

This is the broadest priority of the force-generating Army in support of the Warfighting Army. All of the Army's transformational systems will fulfill Priority 7. This priority supports achievement of all Business Enterprise Priorities.

The objective of the Virtual Interactive Processing System (VIPS) is to transform accession processes by reducing visits to a Military Entrance Processing Station (MEPS) by both recruiters and applicants; reducing wait times and total time to complete the qualification, enlistment and shipping processes; reducing the number of disqualified applicants consuming recruiter or United States Military Entrance Processing Command (USMEPCOM) resources; and providing greater timeliness, reliability and availability of data during the accession qualification process.

Metric: Reduction of Applicant Processing Days to Man the Force

The ratio of processing days at a MEPS per applicant is tracked by the Program Analysis and Evaluation Directorate of the USMEPCOM, as shown in Figure 5-8. Data is collected on a daily basis by monitoring applicant transaction activity across all MEPS. The goal for this metric was set by anticipating that, under VIPS, applicant qualification information that is now available late in the individual accession process will become available at the onset of the process. Through early evaluation of an applicants background and medical information those applicants who are clearly not qualified will not be brought to a MEPS for processing. Those applicants who are clearly qualified will be allowed to ship directly from their home town to boot camp. The remaining applicants who need further review will be processed at the MEPS, bringing the average processing days per applicant to one.

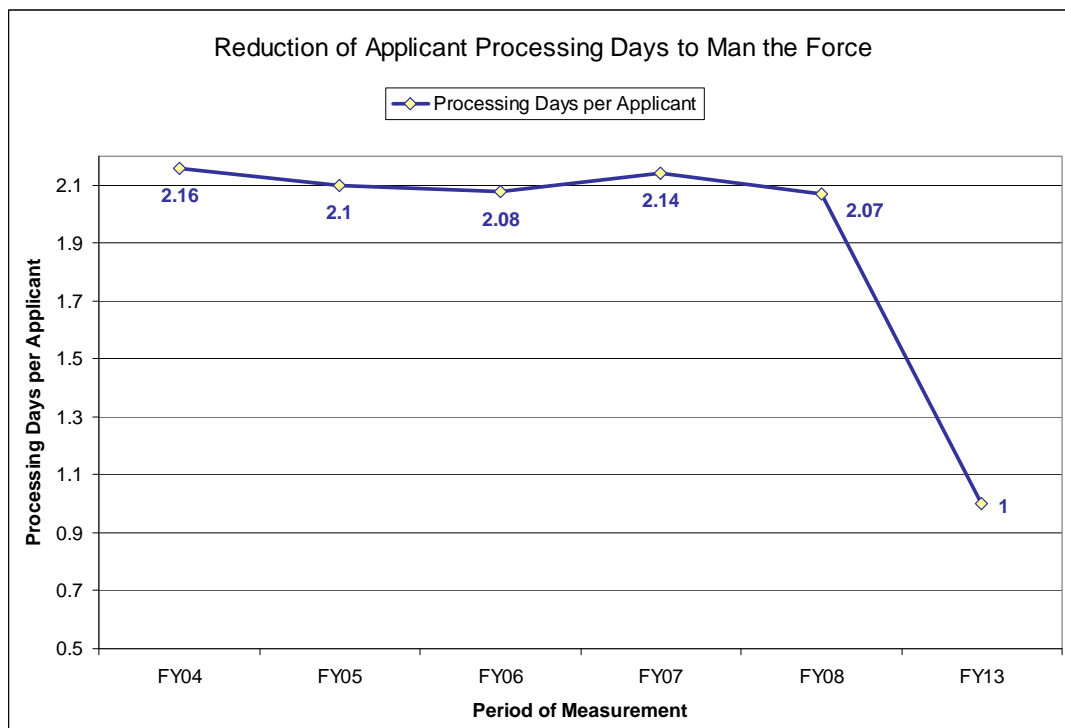


Figure 5-8: Reduction of Applicant Processing Days to Man the Force



By lowering the ratio of days per applicant, DoD will realize the goal of reduced effort and more efficient use of accession resources. This early access to applicant processing information will reduce the need for applicants to come to a MEPS for data collection and evaluation. The VIPS target for this metric is 1 day per applicant. Reduced applicant visits to a MEPS will result in reduced recruiter travel time necessary to escort the applicants to the MEPS and allow for a more efficient and effective use of a recruiter's time. VIPS will reach this target by implementing net-centric information exchange with all Service Recruiting Commands.

This transformational initiative reaches beyond DoD to integration with other government civilian organizations that are an integral part of the accessions process. These include the US Citizenship and Immigration Service, Social Security Administration and the Office of Personnel Management. This dynamic information environment will transform the way in which initial manning and delivery to training bases of enlisted personnel is accomplished. These functional capabilities will be implemented through an incremental development and fielding plan.



Army Programs

Future Business System (FBS) (Supports Priority 7)

Description

FBS is an integrated data and decision management information support environment being developed to improve the general lack of accessibility and visibility of acquisition-related data. It provides a centrally governed and centrally architected suite of net-centric Information Technology solutions that enable acquisition business leaders, managers and participants to perform a jobs effectively and efficiently. It provides enterprise web-based services, applications, authoritative data and tool suites and near real-time access to information within and across programs and business Domains with seamless integration of data and information resources for Army program managers (PMs), Program Executive Officers (PEOs), Army and Acquisition Headquarters staff, managers and leadership.

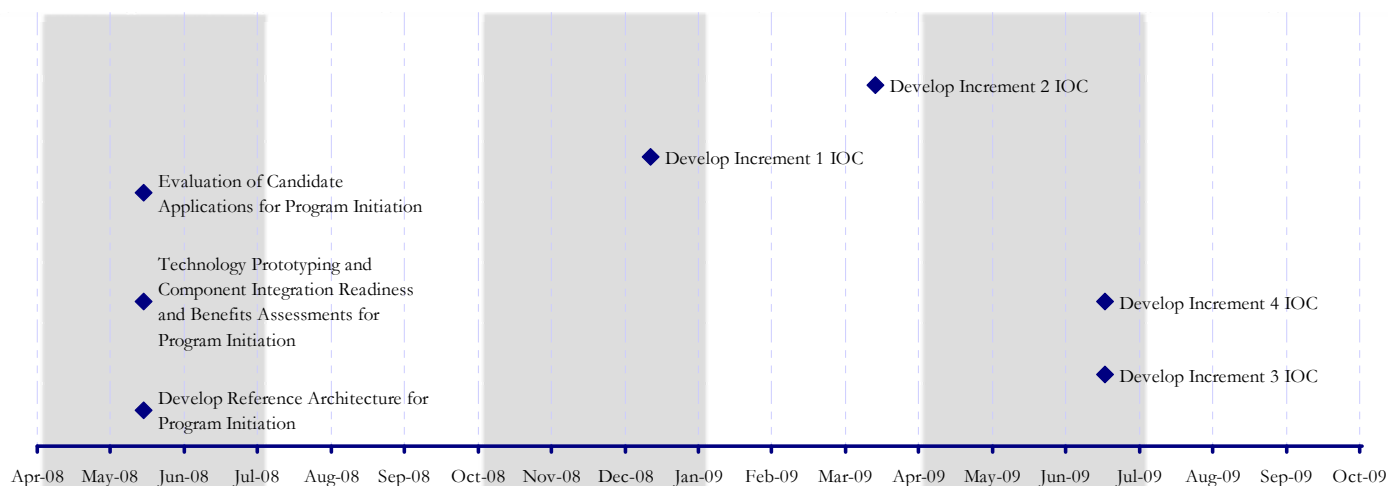
Approach

By developing, managing and providing Army enterprise capabilities under common business architecture using low cost, common use of applications, tools and data across the acquisition community, it incorporates existing “best of breed” solutions across the Army enterprise. It builds on previous investments, integrates business capabilities across the Business Mission Areas, supports an agile and highly adaptive infostructure, identifies and captures data and makes effective use of available authoritative Army resources. Increment 1 provides early stage enterprise data access, visibility, collaboration and search capabilities. Increment 2 delivers improved enterprise financial management and decision support system data visibility, Army Contracting Policy and Procurement Knowledge Center, Performance Based Logistics Reporting Tool and improved DAMIR Support Services Capability.

Benefits

Provide access and visibility to authoritative acquisition and information management data, tools and environment to support the Army and Acquisition Community. The capabilities offer a fully integrated acquisition business capability, enhance the Domain’s ability to support the Warfighter and provide capabilities offer a fully integrated acquisition business capability, enhance the Domain’s ability to support the Warfighter and provide coordinated, relevant and real information. It provides users, management and leadership with decision support tools, web services, business tools and applications, access to data and analytic services and reports needed to conduct and support the business of acquisition and fills the identified Acquisition Community Capability Gaps.

Timeline Diagram

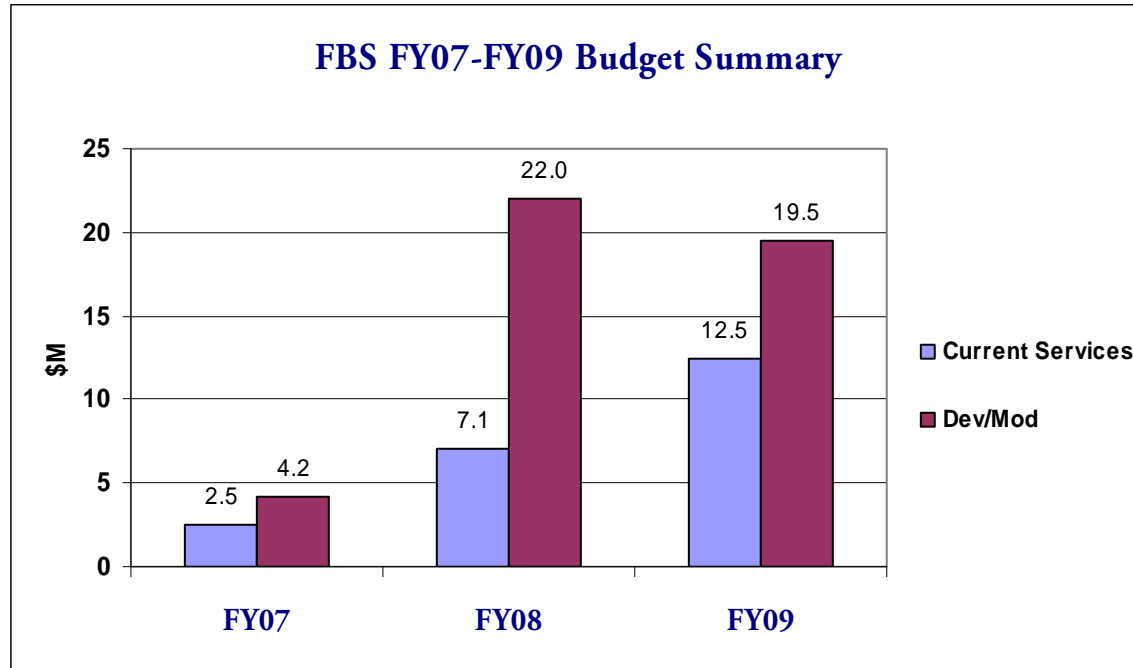


No Legacy Systems Identified



Future Business System (FBS)

FBS FY07-FY09 Budget Summary and Details



Accomplishments/Capabilities Delivered:

- Initiated 15 sub-components in Increments 1 and 2 (e.g. enterprise data access, collaboration, workforce shaping and early stages of tactical collaboration, DAMIR Support Services Capability, access to authoritative acquisition data for Q3 FY08. This effort begins the initial integration and identification of collaboration, enterprise data access, visibility and other web-based capabilities that will enable the seamless integration of data and information resources.
- Established the Army Acquisition Enterprise - Governance Board in Q1 FY08. Installing an overall governance structure allows for an enterprise wide management oversight process.
- Chartered a CIO Council representing multiple stakeholders in the Army Acquisition community in Q1 FY08. Allows for effective coordination and development of an enterprise wide working organization comprised of representatives across the Acquisition Community. The council meets regularly to discuss and identify capabilities required for the Acquisition Community.



Future Business System (FBS)

Near-Term Plans:

- Continue identifying and selecting “Best of Breed” programs, applications, web-based services and tools to be developed, tested and fielded on an enterprise level to the Army Acquisition community by Q1 FY09 for Increment1. These programs improve the tools, processes and effectiveness in providing the Army Acquisition community enterprise data access and visibility, collaboration and search, workforce shaping services, tactical collaboration and Army Force Generation support.

System Metrics

Enterprise Environment FBS Increments 1 and 2

This metric provides a measure of FBS on-time delivery of initiatives, tools, web-based services and authoritative data to the Army Acquisition community.

It monitors the progress and timeliness of delivery of the products, services, access and visibility to enterprise data, collaboration, search and web-based capabilities management tools for the Acquisition community. It aids in the overall management of initiatives like workforce shaping services, tactical collaboration, Army Force Generation and RESET support for the Warfighter.

The FBS program metric monitors the on-time delivery of these products and services to the Army Acquisition community. It consists of several developing Increments, each composed of several initiatives. Beginning in Q1 FY08, Increment 1 has seven initiatives under development. The Initial Operational Capability (IOC) date for Increment 1 and its initiatives is December 2008. Increment 2 has eight initiatives approved by the Acquisition Governance Board. Increment 2 is programmed to reach IOC fielding in July 2009. During the period of Q1 FY08 through the Q4 FY09, FBS has 15 planned initiatives. As of June 2008, the “Collaboration” initiative has reached IOC. The FBS program remains within budget and is on schedule at 7 % complete of the 15 planned initiatives.

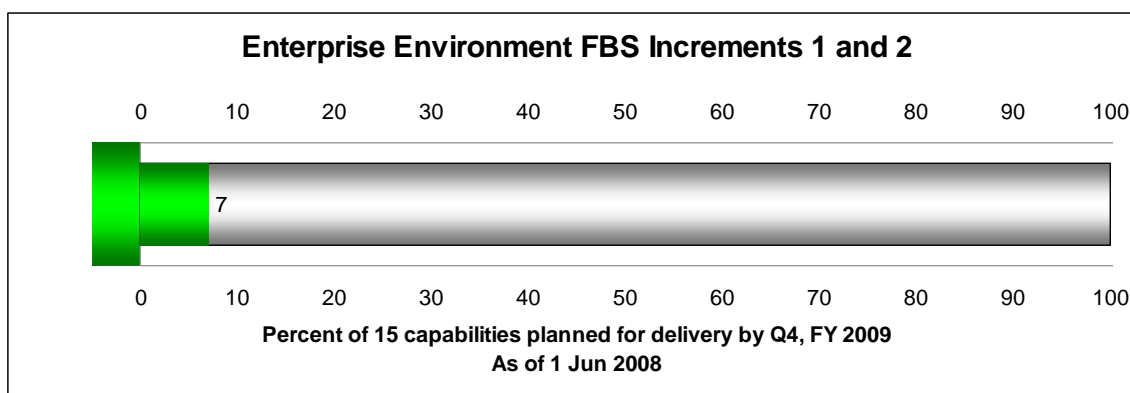


Figure 5-9: Enterprise Environment FBS Increments 1 and 2



Future Combat Systems Advanced Collaborative Environment (FCS-ACE) (Supports Priority 7)**Description**

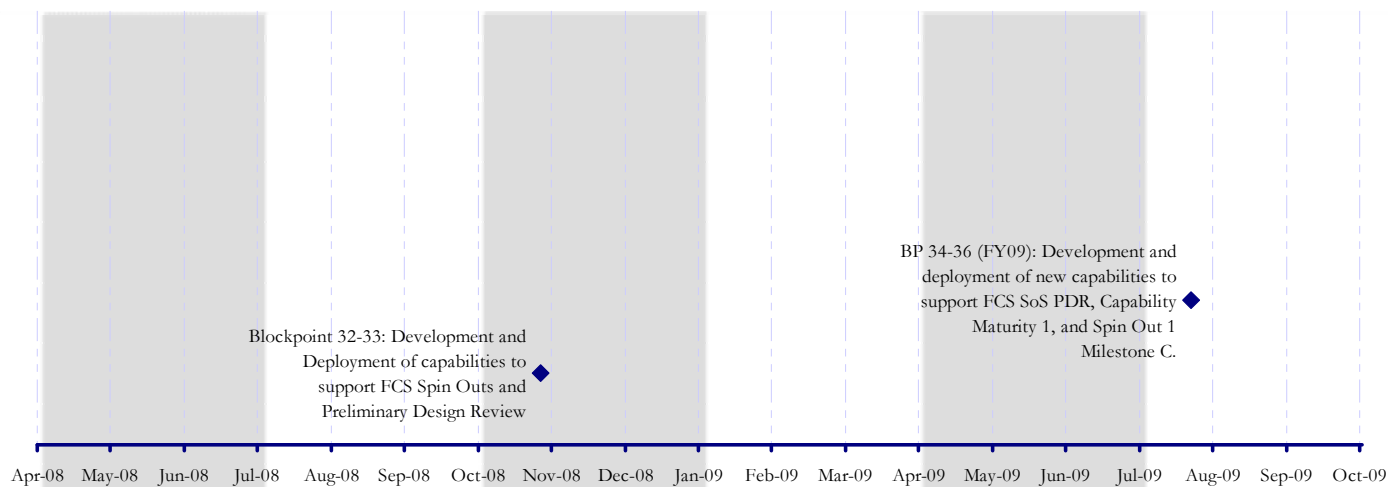
Future Combat Systems Advanced Collaborative Environment (FCS-ACE) is the primary means of creating, sharing, reporting, collecting, recording, accessing and approving program information between the Lead System Integrator (LSI), authorized FCS major and critical subcontractors and authorized U.S. Government personnel associated with the FCS program.

Approach

FCS-ACE fields required capabilities in increments known as “blockpoints”. FCS ACE Blockpoints 32-33 will deliver additional capabilities to support FCS Spin Outs and the Preliminary Design Review (PDR) by Q1 FY09. By Q4 FY09, Blockpoints 34-36 will deliver new capabilities to support FCS System of Systems (SoS) PDR, Capability Maturity 1 and Spin Out 1 Milestone C. Blockpoints 37-39 will deliver additional capabilities that support FCS Engineering Maturity 2 in Q4 FY10. In FY10 through FY12, FCS ACE will deliver capabilities to support FCS System of Systems Critical Design Review, Capability Maturity 2, FCS Engineering Maturity 3 and FCS Milestone C. FCS-ACE ultimately streamlines the process of multi-platform weapon systems acquisition in support of business transformation.

Benefits

FCS-ACE is an Internet based, web-centric and federated data environment for accessing, sharing, collaborating, integrating and controlling FCS program information. It allows authorized participants secure, immediate and controlled access to the single source of authoritative data, including product, technical and program management information.

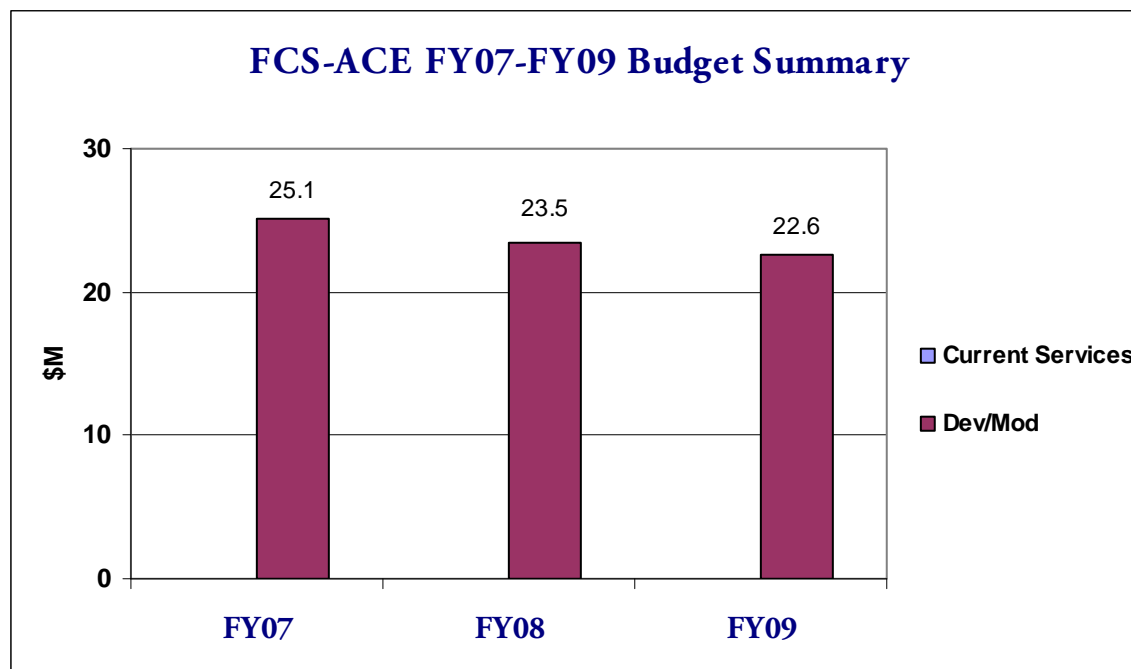
Timeline Diagram

No Legacy Systems Identified



Future Combat Systems Advanced Collaborative Environment (FCS-ACE)

FCS-ACE FY07-FY09 Budget Summary and Details



No Current Services funding budgeted for FY07-FY09.

Accomplishments/Capabilities Delivered:

- Performed a major upgrade of core Commercial Off-the-Shelf (COTS) product data management (PDM) software late in Q2 FY08, providing significant capability improvements including change management, product structure editing and visualization.

Near-Term Plans:

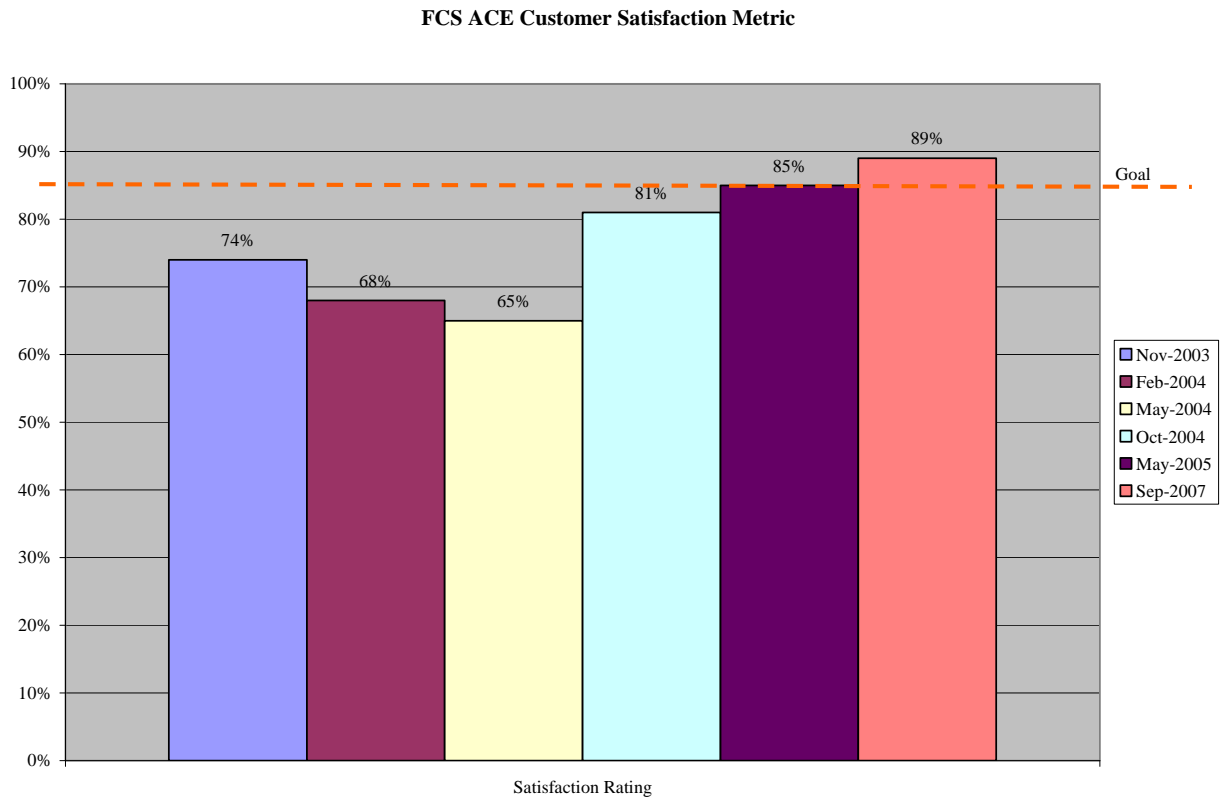
- Complete Blockpoint 32-33 development and Deployment of capabilities to support FCS Spin Outs and PDR in Q1 FY09.
- Complete ACE Block Points 34-36 in Q4 FY09. Provide required capability to support FCS program milestones including SoS, PDR, Capability Maturity 1 and Spin Out 1 Milestone C.
- Extend connectivity to authoritative data sources for the test community and facilitate the technology spinout milestones from FCS program to current force systems in Q4 FY10.

System Metrics

FCS-ACE Customer Satisfaction

FCS ACE has conducted six customer satisfaction surveys with each survey having participation across all FCS Integrated Product Teams, managers and non-managers including Government and Contractor personnel. Surveys included a series of questions covering Training, Functionality and Overall Support. The target customer satisfaction rating is 85% or higher.



Future Combat Systems Advanced Collaborative Environment (FCS-ACE)**Figure 5-10: FCS Customer Satisfaction Metric**

Global Combat Support System - Army (GCSS-Army) (Supports Priorities 1,2, 5 and 7)

Description

GCSS-Army will allow the Army to integrate the supply chain, obtain accurate equipment readiness, support split base operations and get up-to-date status on maintenance actions and supplies in support of the Warfighter. GCSS-Army is the tactical level building block of our transformation to a Single Army Logistics Enterprise (SALE), which provides information superiority through real-time visibility of personnel, equipment and supplies anywhere in the distribution pipeline and within the battlespace. GCSS-Army consists of two Components: Field/Tactical and Product Lifecycle Management Plus (PLM+). GCSS-Army will allow the Army to retire 11 existing automated systems supporting tactical logistics.

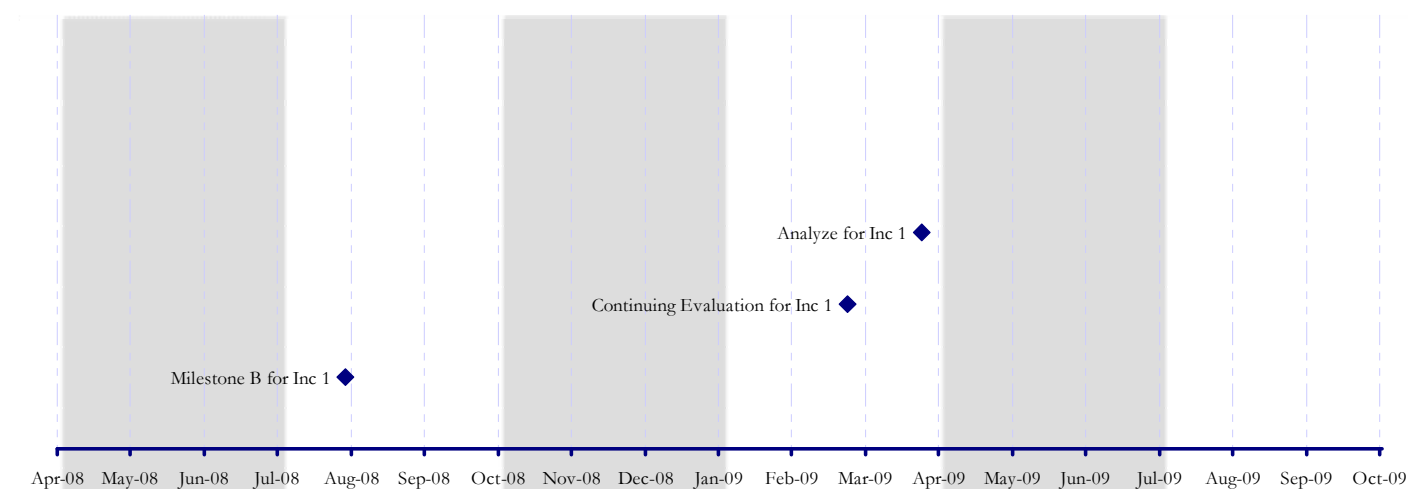
Approach

GCSS-Army is using an incremental approach to acquiring the system. Increment I is further using a segmented approach to reduce risk and provide valuable lessons learned. Segment 1 focuses only on direct support supply operations and completed an operational assessment, with an ongoing continuous evaluation at the National Training Center. Segment 2 will add maintenance, ammunition and property book functionality to the system.

Benefits

- Increased service level
- Decreased cost
- Decreased cycle time
- Increased asset utility
- Increased horizontal Integration
- Increased business alignment to Warfighter
- Increased asset visibility

Timeline Diagram

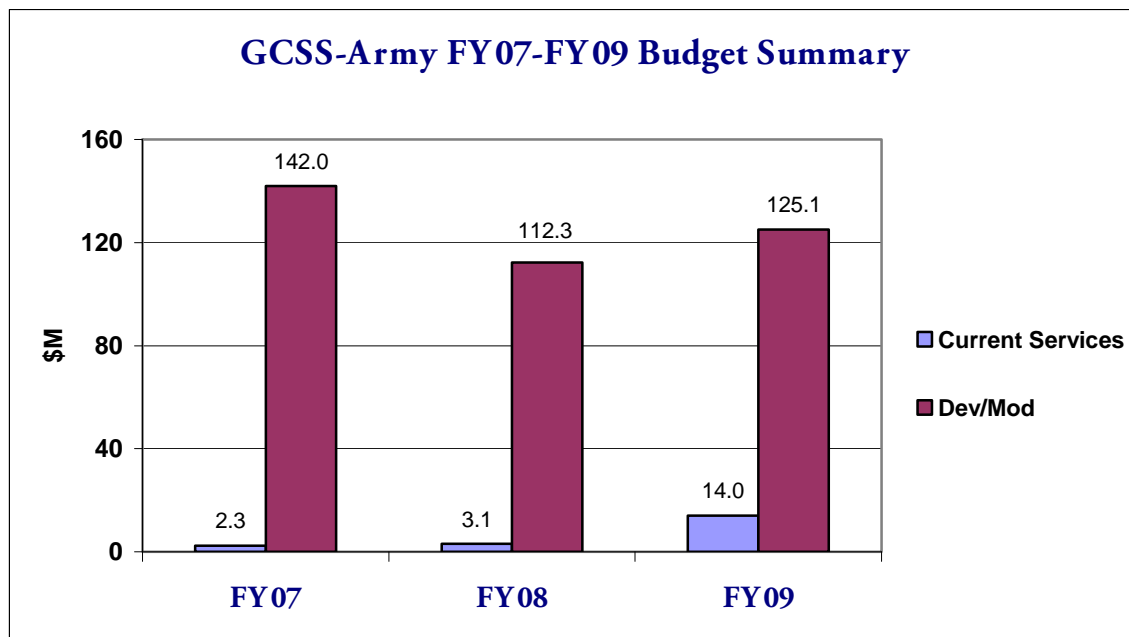


Legacy System	Term Date	Legacy System	Term Date
PBUSE	Jan-14	SARSS-2AC/2B	Jan-14
SAAS-MOD	Jan-14	ULLS-A	Jan-14
SAMS-1 REHOST	Jan-14	ULLS-G	Jan-14
SAMS-E	Jan-14	ULLS-S4	Jan-14
SAMS-I/TDA	Jan-14		
SARSS GATEWAY	Jan-14		
SARSS-1	Jan-14		



Global Combat Support System - Army (GCSS-Army)

GCSS-Army FY07-FY09 Budget Summary and Details



The 2009 President's Budget Dev/Mod funding reflects increases beginning in FY11 associated with the 42 month training and fielding team schedule.

Accomplishments/Capabilities Delivered:

- Completed GCSS-Army Operational Assessment and Continuous Evaluation (OA/CE) for Segment 1 in support of Priority 1 in Q2 FY08. GCSS-Army achieved success through reengineering several business process tools (Overage Reparables, Excess Management, Reconciliation and ASL Stock Determination) with initial SSA performance statistics proving substantial improvements. Segment 1 consists of an integrated system focusing on Supply Support Activity (SSA) supply functions with the supporting finance, distribution and HR capabilities.
- Achieved Milestone B Decision Authority in Q4 FY08. In addition to the successful OA/CE, the GCSS-Army program met all defense acquisition requirements to receive a Milestone B approval to proceed to the System Development and Design Phase of the program. As such the GCSS-Army program is on schedule.

Near-Term Plans:

- Plan, analyze, design and build the GCSS-Army ERP solution by Q3 FY10. For the single Government Developmental Test and Evaluation (DT&E) event in support of the Milestone C Decision approval consisting of live operations (Operational Assessment 2 (OA2)) and lab based scenario testing (Independent Government Testing (IGT)). The testing will evaluate all of Increment I's capabilities to manage Army tactical logistics (supply, maintenance, ammunition and property book operations). The system will also test the end-to-end financial processes associated with logistics tactical supply and maintenance operations. The testing will allow actual users to provide feedback on the system, as well as provide a Continuous Evaluation platform of the complete system to further refine and improve the system prior to full fielding.



Logistics Modernization Program (LMP) (Supports Priorities 1, 2, 5 and 7)**Description**

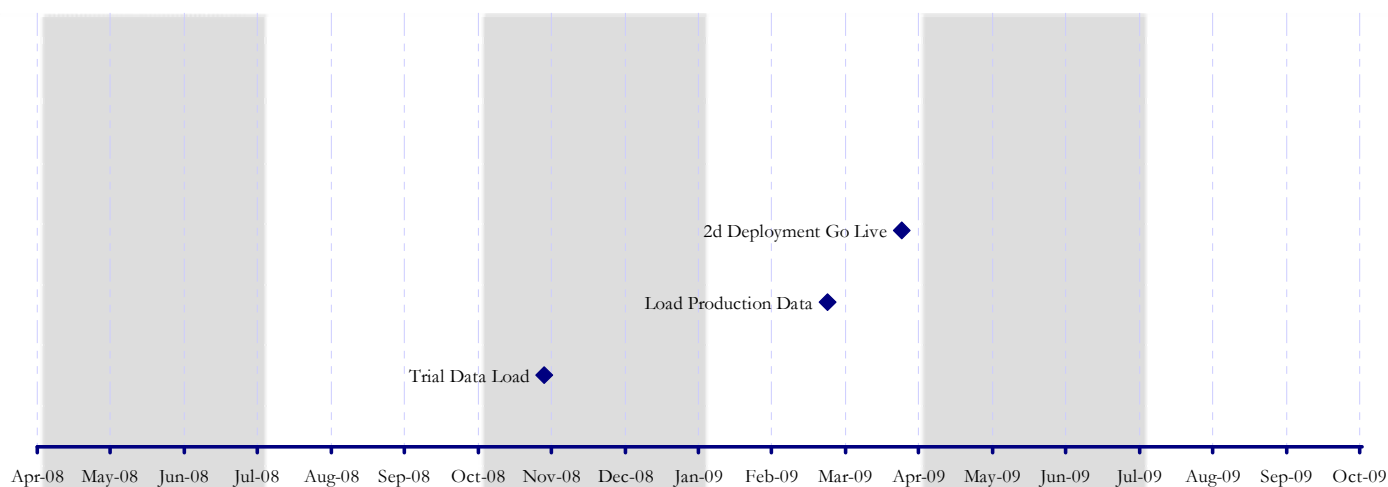
LMP is Army's core initiative to totally replace the two largest, most important warfighting support, National-level logistics systems: the inventory management Commodity Command Standard System (CCSS) and the depot and arsenal operations Standard Depot System (SDS). LMP delivers an integrated production management capability supporting critical systems such as the armored, wheeled and aviation fleets and Command and control electronics delivery systems for the Warfighter and foreign military sales (FMS) operations. LMP's phased implementation assures continuity of current supply chain solutions during critical OIF operations. LMP went live in July 2003 at 14 locations to over 4,000 users. LMP is a backbone for achieving Army Logistics Domain Strategic IT Plan and the Single Army Logistics Enterprise.

Approach

LMP has a phased fielding approach with four deployments. Eighty percent of the functionality was deployed in the first deployment in July 2003 delivering functionality to over 4,000 users at 14 sites. The fourth deployment will be in September 2010 resulting in LMP being deployed to over 1,000 sites and over 17,000 users. The expected benefits are quantified based on the enterprise as a whole and the realization of those benefits is projected to occur almost entirely after LMP has been fully deployed. The LMP management approach is leveraging an international industry standard Enterprise Resource Planning (ERP), providing integrated logistics management that manages supply, demand, asset availability, distribution and maintains data, financial control and reporting. LMP delivers integrated production management capability supporting critical systems such as armored, wheeled and aviation fleets and Command and control electronics delivery systems and foreign military sales operations.

Benefits

Reduction in Spares Inventory: One time reduction of 5% in total spares inventory for each deployment, Projected benefit \$557.5M; Reduction of Inventory Obsolescence, Storage and Loss: Annual savings of 1.1% of inventory value, Projected benefit \$52.1M, Reduction begins 2 years after full deployment; Increase of Labor Productivity in the Logistics and Acquisition Areas; Reduction of interfaces.

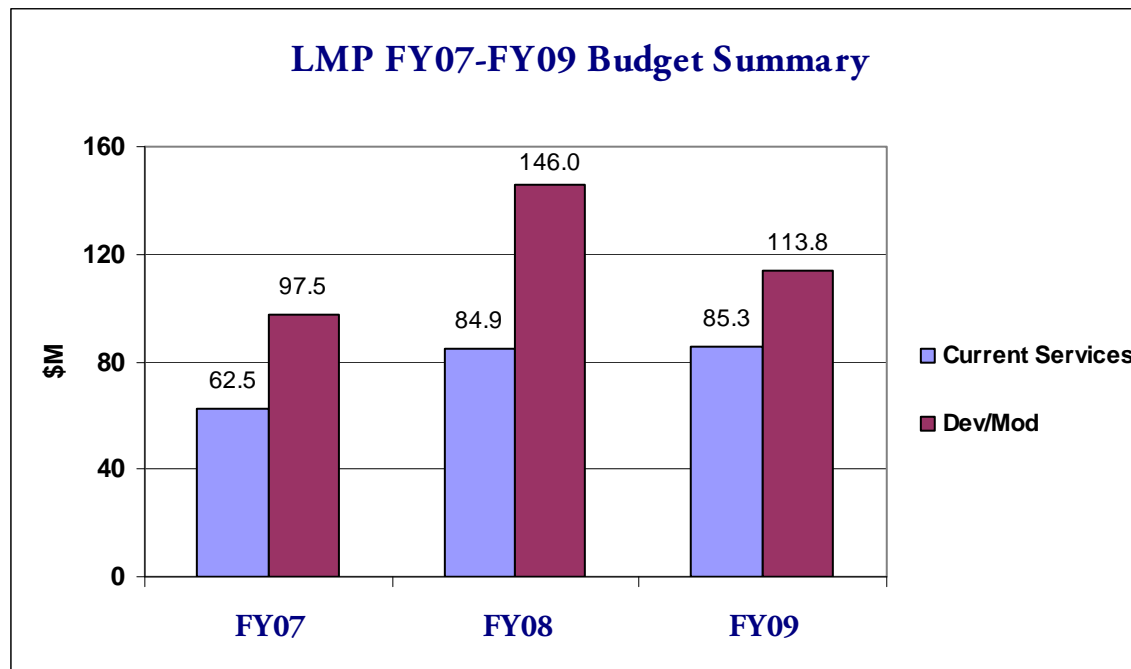
Timeline Diagram**Legacy System Term Date**

SEC - CCSS	Jul-10
SEC - SDS	Jul-10
SIFS	Oct-11



Logistics Modernization Program (LMP)

LMP FY07-FY09 Budget Summary and Details



Accomplishments/Capabilities Delivered:

- Completed DoD Information Assurance Certification and Accreditation Process (DIACAP) certification in Q2 FY08 and was granted a 3-year Authority to Operate (ATO).

Near-Term Plans:

- Achieve Second Deployment Go Live in Q2 FY09-Aviation and Missile Command (AMCOM). Continued deployment of LMP will extend CFO, BEA and FFMIA compliance across AMCOM. Army benefits include a comprehensive solution with enhanced best practices, supply chain functionality, improved and streamlined processes, real-time processing and availability of information from a single authoritative integrated database, integrated financial and supply chain processes, enterprise level lifecycle data, unqualified financial reporting, real-time alerts and exception message reporting.
- Achieve Third Deployment Go Live in Q1 FY10-Tank and Automotive Command (TACOM). Continued deployment of LMP will extend CFO, BEA and FFMIA compliance across TACOM. Army benefits include a comprehensive solution with enhanced best practices, supply chain functionality, improved and streamlined processes, real-time processing and availability of information from a single authoritative integrated database, integrated financial and supply chain processes, enterprise level lifecycle data, unqualified financial reporting, real-time alerts and exception message reporting.
- Achieve Fourth Deployment Go Live in Q4 FY10-Joint Munitions Command/Army Sustainment Command (JMC/ASC). Continued deployment of LMP will extend CFO, BEA and FFMIA compliance across JMC/ASC. Army benefits include a comprehensive solution with enhanced best practices, supply chain functionality, improved and streamlined processes, real-time processing and availability of information from single authoritative integrated database, integrated financial and supply chain processes, enterprise level lifecycle data, unqualified financial reporting, real-time alerts and exception message reporting.



Logistics Modernization Program (LMP)

System Metrics

LMP Overall System Availability

All LMP metrics are shown in Figure 5-11. System Availability is a Logistics Modernization Program Key Performance Parameter (KPP) with a threshold value of 99.5%. LMPs actual current system availability for Q3 FY08 was 100%. The KPP is an objective measure (system generated) that verifies the time the system is available to the user. System Availability is reported weekly in the LMP Program Dashboard Report (Canary Reports).

Average Response Time and Percentage Transactions < 2 Seconds

System Response Time is a Logistics Modernization Program Key Performance Parameter (KPP), threshold value: average response time of less than 2 seconds for 80 % of all transactions. LMPs actual system response time for Q3 FY08 was .77 seconds for 98% of all transactions. The KPP is an objective measure (system generated) that shows how long the system takes to respond to a dialog step (user transaction). Average Response Time is reported weekly in the LMP Program Dashboard Report (Canary Reports).

Percentage of Failed Batch Processes

Batch Process Failure Rate is a Logistics Modernization KPP, threshold value: provide and accept services/data from other systems and or trading partners such that batch process failures are less than 2%. LMPs actual batch process failure rate for 3d Qtr FY08 was .12%. The KPP is an objective measure (system generated) that shows there is no degradation of services/data from other systems and or trading partners. Batch Process Failure Rate is reported weekly in the LMP Program.



Figure 5-11: LMP Metrics



Distributed Learning System (DLS) (Supports Priority 7)**Description**

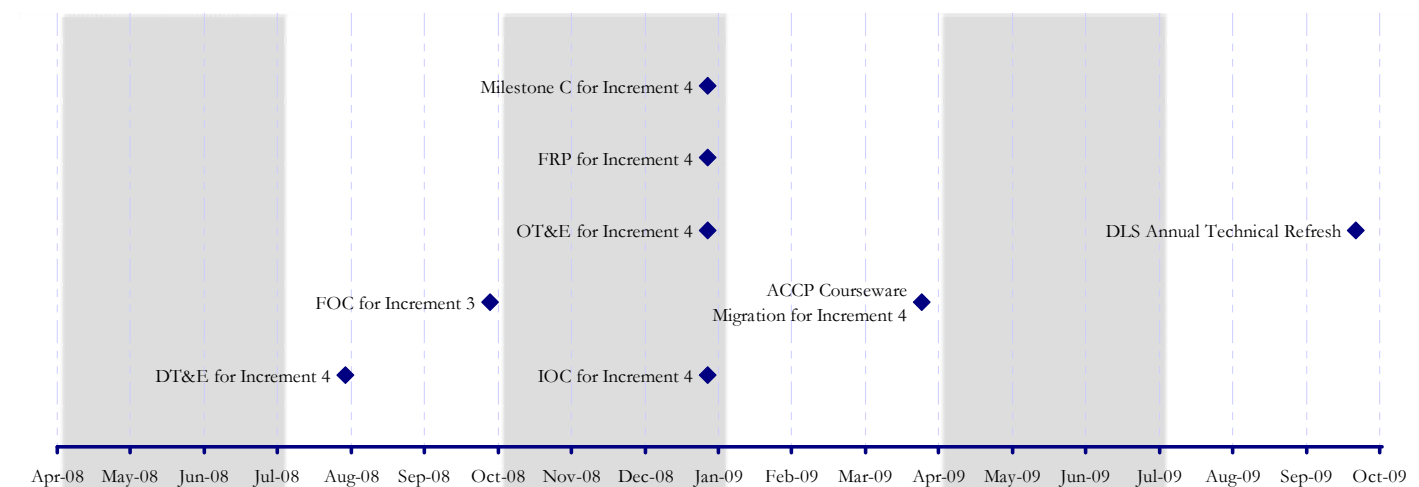
DLS uses information technology to streamline training processes, automate training management functions and deliver training using electronic means to Army Soldiers and Civilians while at or near home station or when deployed. DLS facilitates the Army mission to teach technical and tactical proficiency, develop military occupational specialty skills, develop Leaders, support Army Training Transformation, Army Force Generation (ARFORGEN) and Lifelong Learning, promote self-development and sustain individual and unit combat skills.

Approach

DLS builds and deploys a training system using an incremental approach to deliver distributed training. Increment 1 (Digital Training Facilities) (DTFs) provides students with access to standardized classrooms with computers and video-teletraining equipment. DTFs deliver multimedia courseware for self-paced individual or collective training. Increment 2 (Enterprise Management Center) provides remote system administration and help desk support and links DTFs for collective training. Increment 3 (Army Learning Management System) provides users with access to military specific web-based training and testing and enables training management functions. Increment 4 (Deployed Digital Training Campus) provides mobile electronic classrooms that deliver multimedia courseware for self-paced instruction or collective training in a deployed location. DLS also provides Army e-Learning, web-based commercial training products that enable users to acquire and sustain business, information technology or foreign language skills.

Benefits

Unlike traditional methods of training that are costly, time consuming and require time away from family, DLS provides Soldiers and civilians numerous options to access individual training, creating a relevant and ready Army and a more capable and modular force. DLS directly impacts the Army's ability to meet its training mission.

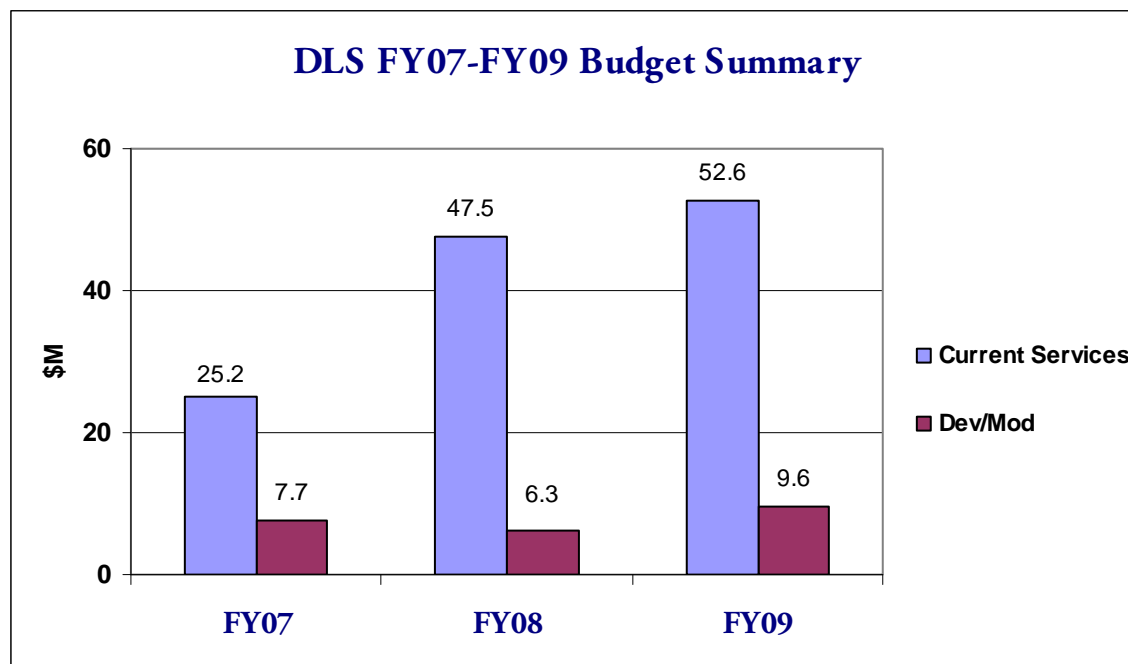
Timeline Diagram**Legacy System Term Date**

RITMS	Dec-07
TREDS-R	Dec-07



Distributed Learning System (DLS)

DLS FY07-FY09 Budget Summary and Details



Minimal funding shortfalls identified within the budget submission process have been mitigated by schedule and program execution adjustments of non-mission critical aspects of the DLS program.

Accomplishments/Capabilities Delivered:

- Achieved FOC for Army Learning Management System (ALMS) in Q4 FY08. ALMS uses web-enabled information technology to streamline training processes, automate training management functions and deliver training using electronic means to Soldiers while at or near home station or when deployed.

Near-Term Plans:

- Complete Test and Evaluation for Increment 4 - Deployed Digital Training Campus (DDTC) (AN/TYQ-T2, Training Set, Instructional) in Q1 FY09.
- Complete Milestone C, achieve Initial Operational Capability and commence Full Rate Production of DDTC in Q1 FY09. DDTC provides brigades with the capability to train Warfighters while deployed in theater with just-in-time training for operational needs, including collaborative simulations and military operational skills. DDTC provides Soldiers with a resource to remain on pace with career-focused training while deployed. It also provides brigades with the capability for surge in training throughput during pre-deployment operations.
- Complete planned annual Technology Refreshment of Digital Training Facilities, ALMS and the Enterprise Management Center by Q4 FY09. This will preserve capability to deliver and manage training electronically.



Distributed Learning System (DLS)

- Begin migration of courseware from legacy learning management systems to the ALMS by Q1 FY09. This will allow for retirement of legacy systems and supports Army policy that all Army Distributed Learning courseware be hosted by the ALMS and legacy learning management systems retired by Q1 FY11. Initial effort is a pilot program involving 3 Army schools and more than 300 training courses and associated training products.
- Complete migration of several hundred training courses from the Army Correspondence Course Program to the Army Learning Management System by Q2 FY09. This is part of the overall effort that will transform the Army to single sign-on access of web-enabled distributed learning, while allowing retirement of legacy systems.

System Metrics

Training Using Distributed Learning System

Figure 5-12 shows that the DLS contribution to Army Transformation is measured by the number of Soldiers and DA civilians who participate in training using any of the multiple distributed learning resources provided through the DLS infrastructure.

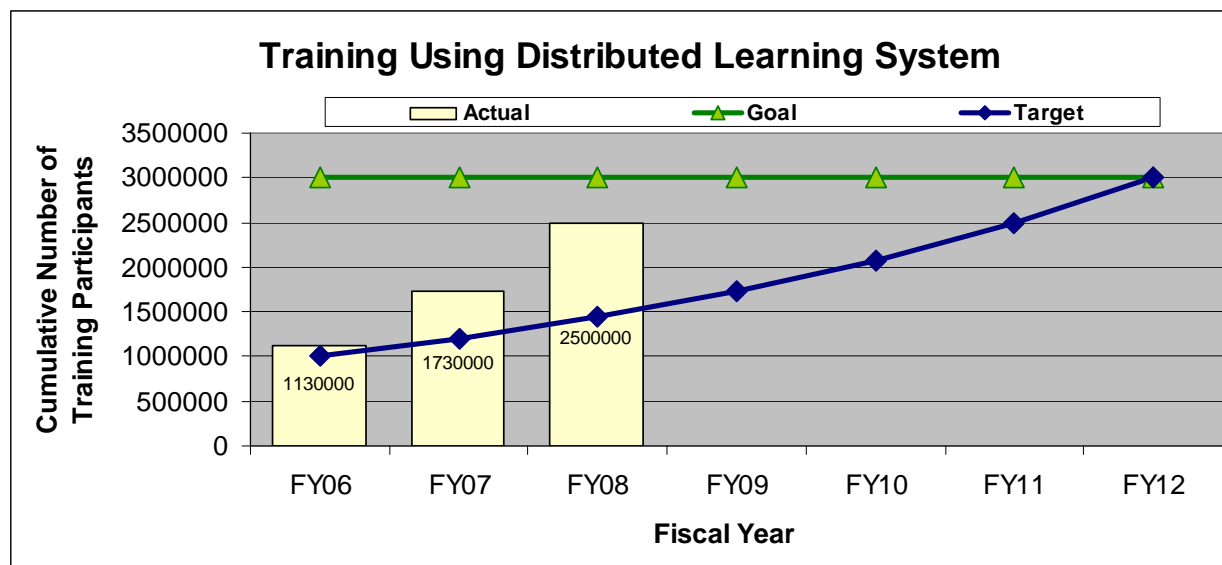


Figure 5-12: Individual Training Using DLS



General Fund Enterprise Business System (GFEBS) (Supports Priorities 1, 2 and 7)**Description**

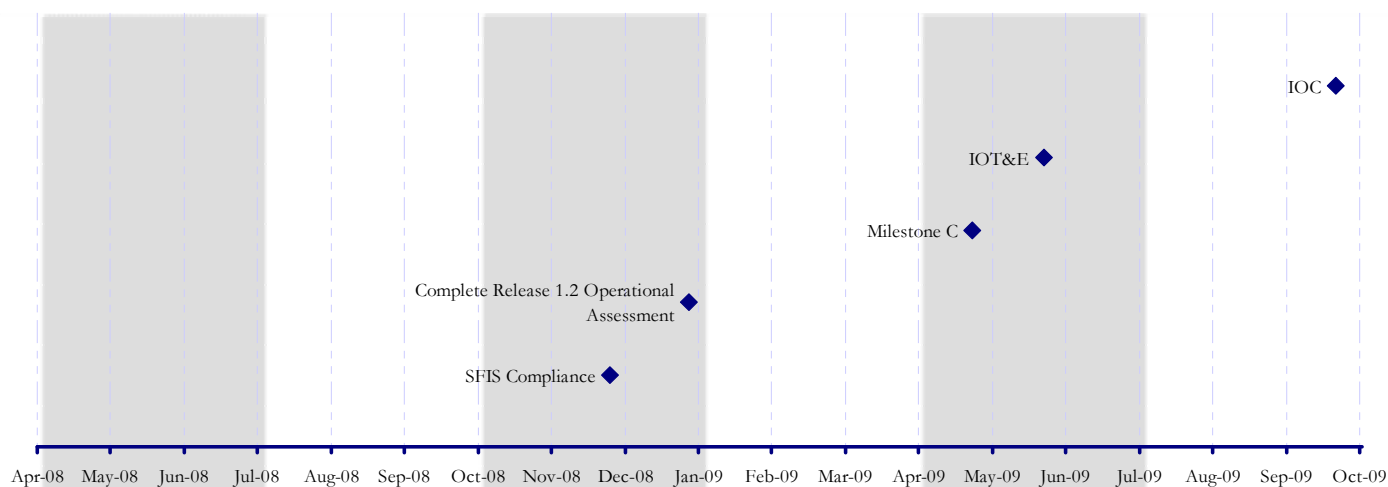
The GFEBS vision/objective is to meet the requirements of the Chief Financial Officers (CFO) Act by employing CFO-compliant general fund finance and accounting capability that will support the Department of Defense (DoD) with accurate, reliable and timely financial information, in peacetime and in war. GFEBS will serve as the Army's financial backbone, capturing general ledger data into a single system. GFEBS will be the system of record for the entire Army. In addition to addressing the long-term goals of the Army and DoD, this investment satisfies requirements imposed by legislation.

Approach

GFEBS is using an incremental approach to development and fielding, broken down into 4 releases – Release 1.1; Release 1.2; Release 1.3; and Release 1.4. This strategy was chosen to reduce risk and allow for up-front initial capability in the field. Release 1.1 was completed at Ft. Jackson, South Carolina in June 2006. All future releases will build upon the requirements understood from the work completed with Release 1.1. Release 1.2, as a prototype, will build on Release 1.1. Releases 1.3 and 1.4 are intended for production use and will be deployed Army-wide. The GFEBS management approach further enhances the fielding approach. GFEBS management approach is using only one COTS ERP solution. This COTS solution is deliberately designed with the latest commercially accepted and instituted “best practice” business processes. This solution is technologically flexible and connectable to any other system or program. The GFEBS program office also strictly adheres to a “No changes to the core code of the solution are allowed” policy, minimizing or eliminating interoperability and interconnectivity issues as well as maximizes code reuse and system standardization. GFEBS uses only proven components and development tools provided in the COTS solution.

Benefits

Provides enterprise data view, real-time data processing, standardized business processes, use of best practices, web-based real-time transactions and information capabilities accessible to all Army organizations worldwide; supports more than 79,000 end-users at nearly 200 Army resource management organizations; Enables the Army to comply with current statutory requirements.

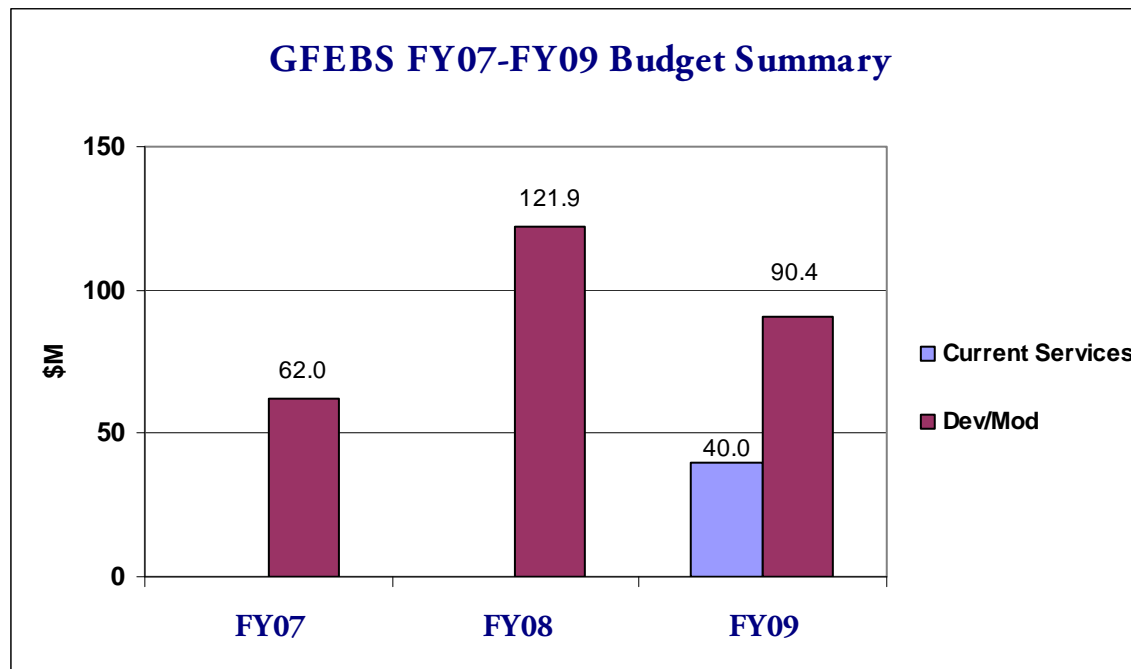
Timeline Diagram

Legacy System Term Date		Legacy System Term Date	
1 System	Jun-09	4 Systems	TBD
42 Systems	Nov-10		
1 System	Nov-11		
2 Systems	Dec-11		
1 System	Feb-12		
1 System	Jul-15		
1 System	Sep-15		



General Fund Enterprise Business System (GFEBS)

GFEBS FY07-FY09 Budget Summary and Details



No Current Services funding budgeted in FY07-FY08.

Adequate funding for Dev/Mod is identified in the Budget Estimate Submission Program Objective Memorandum 1015 (Release June 9, 2008).

From FY08 to FY09, an increase of \$27M+ is anticipated in the investment appropriations for GFEBS.

- The RDT&E appropriation will increase by \$7M+ (from \$53.2M in FY08 to \$60.3M in FY09) as design, build and test for Release 1.3 and design, build and test for Release 1.4 are completed.
- The OPA appropriation will increase by \$20M+ (from \$10.1M in FY08 to \$30.1M in FY09) upon “Go-Live” and deploy Releases 1.2, 1.3 and 1.4.

Beginning in FY09, GFEBS will receive OMA funding for maintenance and sustainment of systems deployed.

- FY09 OMA funding-\$40M

Accomplishments/Capabilities Delivered:

- Implemented and conducted the comprehensive GFEBS training Plan in preparation for GFEBS deployment in Q2-Q3 FY08. User knowledge is key to meeting FFMIA requirements. Training is an integral part of that knowledge, it ensures users are prepared to implement and execute GFEBS.
- Analyzed, planned and designed activities for application to all of the Army's financial management installations in Q3 FY08. Ensured GFEBS stays on schedule and users remain apprised of GFEBS activities and progress.
- Standardized business processes across 90 disparate systems in Q3 FY08. This is an absolute must in meeting the Business Enterprise Architecture (BEA) mandates.
- Completed GFEBS Release 1.2 Analyze, Design and Build Phases in Q3 FY08. This ensures GFEBS remains on schedule, thereby ensuring funding consistency as well as ensuring GFEBS remains current with ever-evolving business processes. Finalized and secured executive leadership approval for the



General Fund Enterprise Business System (GFEBS)

Release 1.3 Deployment Strategy in Q3 FY08. Total leadership buy-in is crucial to GFEBS success. Senior leadership is counting on GFEBS to meet FFMIA and other regulatory and DoD requirements.

- Kicked-Off Pre-Build for Release 1.3 and socialized deployment strategy to identified Army Commands for Release 1.3 in Q3 FY08. This lays the foundation for providing financial management capabilities at all garrisons Army wide, which is the beginning of replacing the Standard Financial System (STANFINS). It involved determining the processes and data operations that will replace STANFINS.
- Conducted Developmental Testing (DT) and Limited User Testing (LUT) for Release 1.2 in Q3 FY08 through Q1 FY09. This coincides with the FFMIA compliancy tests. FFMIA compliancy is being audited by the Army Audit Agency and produces GFEBS's most critical metrics.
- Created two Change Management and Deployment (CMD) Networks, by release, as critical conduits between the GFEBS team and organizations impacted by GFEBS. Each is composed of Command-level points of contact, key program supporters and sponsors and end-user supervisors in Q3 FY08. This is key to GFEBS governance and maintaining user support and buy-in.
- Targeted additional Release 1.3 CMD Networks, by deployment "wave", to further assist impacted organizations and Commands in meeting readiness requirements: workforce planning, business process reengineering and end-user job role alignment in Q3 FY08. This helped to streamline deployment planning and execution.
- Developed five prototypes for demonstration of the business process areas: Funds Management, Financials, Year-End Close, Food-Service and Reimbursables in Q3 FY08. Business process improvement is on-going and evolutionary and a vital part of the GFEBS program.
- Developed and tested a blended training approach to include computer-based and instructor-led courses; on-site and distance learning; and online help and reference materials to assist end-users after deployment. Pilot-training completed in July 2008 in Q4 FY08. This laid the foundation for the GFEBS Training Plan, which is a crucial part of the GFEBS fielding effort.
- Executed over 225 individual Roadshows, Conferences/Events and Briefings through the GFEBS stakeholder engagement strategy in Q3 & Q4 FY08 (ongoing). This furthers the over-all knowledge and buy-in of the GFEBS program throughout the Army and DoD.

Near-Term Plans:

- Initiate Operational Test and Readiness Review (OTRR3) for Release 1.2 Operational Assessment in Q1 FY09. The OTRR is a multi-disciplined product and process assessment to ensure that the "production configuration" system can proceed into Initial Operational Test and Evaluation with a high probability of successfully completing the operational testing. This is crucial as a successful operational review will demonstrate GFEBS is suitable and effective for service introduction as well as comply with Priority 2.
- Conduct and obtain Milestone C approval in Q3 FY09. This will verify GFEBS viability and assure the continued funding required to bring the GFEBS Program to fruition.
- Proceed with "Go Live" of Release 1.3 in preparation for IOC no later than Q4 FY09. This is the first full production release of the GFEBS system. It marks the replacement of STANFINS Army wide to include the Army National Guard and Reserves.
- Deploy GFEBS Release 1.2 full functionality to IMCOM Garrison, Ft Jackson, South Carolina and DFAS during Q1 FY09. This will verify GFEBS' ability to support all 38 Installation management functions currently performed by STANFINS thus setting the stage for Release 1.3, which is the full replacement of STANFINS.



Planning, Programming and Budgeting (PPB) Business Operating System (BOS) (Supports Priority 7)**Description**

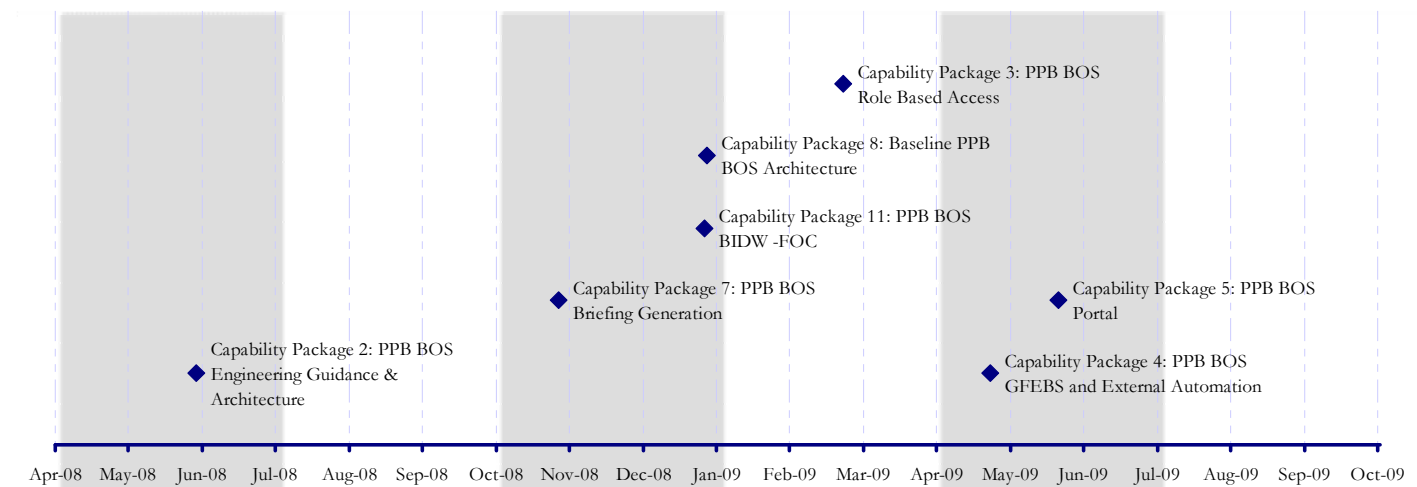
PPB BOS, when completed, will integrate customer business processes, automate legacy paper processes, eliminate duplicate data feeds, integrate information processes, share edits and data among processes, integrate best business practices from stovepipe business systems, reduce administration and coordination burdens and manage change and configuration for the Army PPBES. The transformation to an Army PPBOS is a multi-year project to standardize business models, processes and systems within the Army PPB processes. This system will interface with the SRDS and use the SFIS-compliant data structure.

Approach

A multi-year project to standardize and better integrate the transactional automated information systems used in HQDA- level Programming and Budgeting processes. PPB BOS capabilities will be deployed into the production environment using a standard enterprise release process. Milestone reviews for each of the capabilities have been scheduled and release packages will be deployed after successful completion of the Deployment Readiness Review. This spiral release deployment plan will deliver the new and/or improved modular capabilities in a manner that maximizes the use of the deployed capability in the current legacy "system of systems" environment, while targeting the capability as the integrated "to-be" architectural solution.

Benefits

This effort supports the architecting, reengineering, streamlining and consolidation of the PROBE database system, several of its feeder database systems and the interfaces and business processes associated with them. These transactional systems collect, develop, analyze, review, modify, record leadership decisions and report the Army Program/Budget. This endeavor supports the PPB process and the management of business data needed to build a program/budget.

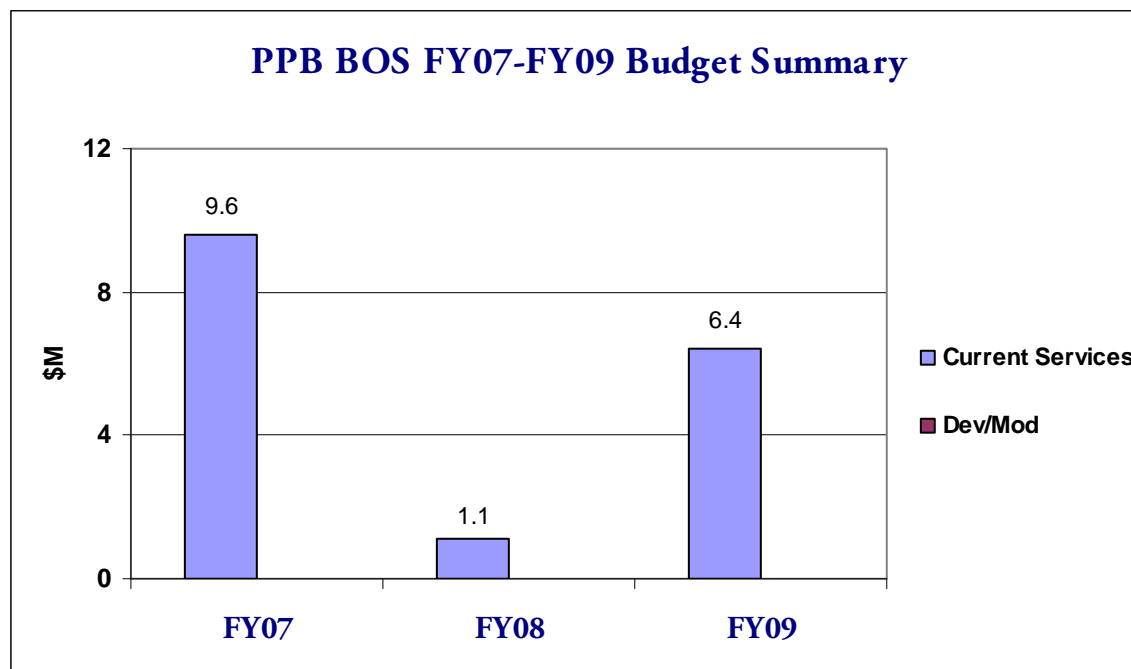
Timeline Diagram

No Legacy Systems Identified



PPB Business Operating System (PPB BOS)

PPB BOS FY07-FY09 Budget Summary and Details



No Dev/Mod funding budgeted for FY07-FY09.

In FY09, the RDT&E appropriation requirements to continue the design, build, test and deployment of capabilities for PPB BOS are \$2.781M above the amount depicted in the chart.

Accomplishments/Capabilities Delivered:

- Completed Capability Package 1- Improved PPB BOS Enterprise Foundation (Stability Operations) problem reporting, configuration management, stabilization of software packages and formalized support for disaster recovery of information and systems in Q2 FY08.
- Completed Capability Package 2 – Improved PPB BOS Engineering Guidance & Architecture by establishing guidance for information assurance, enterprise architecture development and human computer interactions. Improved consistency and efficiency for implementation in Q3 FY08.

Near-Term Plans:

- Capability Package 7: PPB BOS Briefing Generation: Improve operations and reduce workload by consolidating briefing generation capabilities into an enterprise service capable of meeting the needs of many different users. Anticipated completion in Q1 FY09.
- Capability Package 11: PPB BOS Business Information Data Warehouse(BI/DW): Continue to expand community of interest and identify additional data sources needed (such as execution data from GFEBS and all historical PPB data). The BI/DW will continue to replace functional requirements met by legacy custom-built applications with a central Commercial Off-the Shelf software repository and business intelligence tool. Anticipated completion in Q1 FY09.
- Capability Package 8, Baseline PPB BOS Architecture: Provide an explicit description and documentation of current and desired relationships among business and management processes and information technology to inform, guide and constrain decisions of the PPB BOS Enterprise. The PPB BOS Architecture provides a graphical presentation and linkage of data sources, interfaces, processes, system functions, capabilities, business rules, taxonomies, vocabularies, constraints, logical data models,



PPB Business Operating System (PPB BOS)

physical data schemas, users, organizations, standards and traceability matrixes, used to support decision making. The result of this Capability Package is initial compliance with Clinger-Cohen Act and other OMB, GAO and DoD regulations and policies for information technology systems. Anticipated completion in Q1 FY09.

- **Capability Package 3: PPB BOS Role Based Access:** Provides capabilities required to consolidate PPB BOS users, provide role-based access controls and integrate roles with PPB BOS services and data. This effort will provide the framework and impetus for developing crosscutting processes and technology necessary for enterprise-level organization and user management. The end-to-end Analysis identified this as an opportunity for cost savings and improved enterprise security by normalizing user roles, consolidating user-IDs and consolidating access control policies across the PPB BOS. The process begins with collecting and documenting the business processes associated with managing users. This step also provides the potential to identify LSS efforts. The requirements are then derived from the documented business process to identify potential components and services to manage users and roles. Technologies are researched and analyzed along with existing capabilities and a course of action is developed to complete the transformation. The course of action includes a migration plan for existing capabilities in one or more phases. The result of this Capability Package is an initial capability to manage users and manage roles in alignment with Army PPB business processes. Anticipated completion in Q2 FY09.
- **Capability Package 4: PPB BOS GFEBS and External Automation:** Provides capabilities to interface with existing and emerging PPBE systems. As the official Army database of record for budget transactions and PPB data elements, the PPB BOS shall provide the ability to transfer required budget formulation information to the GFEBS. The process begins with collecting and documenting the business processes associated with GFEBS business processes. The requirements are then derived from the documented business process to identify potential components and services to provide and receive data to and from GFEBS. Technologies are researched and analyzed along with existing capabilities and a course of action is developed to complete the interface. The course of action includes a plan for levels of interface service in one or more phases. The processes, procedures and capabilities identified by this Capability Package will provide the ability to publish information required to support initial GFEBS requirements. Anticipated completion in Q3 FY09.
- **Capability Package 5: PPB BOS Portal:** Provide a single point of access for key information that can be individually personalized to provide the desired information environment within which users need to work. A portal promotes knowledge management and information sharing across the enterprise and a centralized point of access for additional applications. The end-to-end Analysis revealed a number of different PPB systems and portals used to access PPB capabilities. As an integrated enterprise, the PPB BOS should strive to provide for users the ability to access all PPB capabilities via a single integrated portal. The transformation process begins with collecting and documenting the business processes associated with managing the existing portal content. This step also provides the potential to identify Lean Six Sigma efforts. The requirements are then derived from the documented business process to identify potential components and services to provide access to Army PPB applications and information. Technologies are researched and analyzed along with existing capabilities and a course of action is developed to complete the transformation. The course of action includes a migration plan for existing capabilities in one or more phases. The result of this Capability Package is an initial capability to access Army PPB services and information. Anticipated completion in Q3 FY09.
- **Capability Package 6: PPB BOS Enterprise Information Repository:** Creation of a single, consolidated data model for PPB serves as a crucial step in reducing redundant data sources and inefficient systems and business processes in Q1 FY10.



PPB Business Operating System (PPB BOS)

- Capability Package 9: PPB BOS Planning: The purpose is to focus on transforming the planning activities to integrate with the PPB BOS information repository and business services. The transformation process begins with collecting and documenting the business processes associated with planning activities that support programming and budgeting. This step also provides the potential to identify LSS efforts. The requirements are then derived from the documented business process to identify potential components and services. Technologies are researched and analyzed along with existing capabilities and a course of action is developed to complete the transformation. The course of action includes a migration plan for existing capabilities in one or more phases. The result of this Capability Package is initial capabilities to integrate Army planning guidance. Anticipated completion in Q3 FY10.
- Capability Package 10: PPB BOS Programming: The purpose is to focus on transforming the capabilities required to balance and integrate resources (people, equipment, land, facilities and required support funding) among the various programs in accordance with Army priorities. This includes providing the Army the means to collect, validate against specific business rules, approve, disapprove, prioritize or make changes to the Army's resources. The transformation process begins with collecting and documenting the business processes associated with programming activities. This step also provides the potential to identify Lean Six Sigma efforts. The requirements are then derived from the documented business process to identify potential components and services. Technologies are researched and analyzed along with existing capabilities and a course of action is developed to complete the transformation. The course of action includes a migration plan for existing capabilities in one or more phases. The result of this Capability Package is initial capabilities to perform programming within Army planning guidance. Anticipated completion in Q4 FY10.

System Metrics

PPB BOS Capability Roadmap Packages

The metric, depicted in Figure 5-13, illustrates PPB BOS Capability Roadmap Packages in progress and the processes completed to reach incremental deployment. There are seven repeatable processes that each capability has to reach before deployment. The processes are:

- Working Configuration Management Control Board approval ,
- Operation Design Review, Preliminary Design Review,
- Critical Design Review Test Readiness Review,
- Delivery Readiness Review and
- Deployment.

Currently, Capability Package 1 PPB BOS Enterprise Foundation and Capability Package and Capability Package 2 PPB BOS Engineering Guidance & Architecture have been deployed. These capabilities improve stability of operations, configuration management and formalize support for disaster recovery. Three capabilities are still in the early phase of the approval process, two capabilities are in operational review and one capability is in the test readiness review phase scheduled for completion December 2008.



PPB Business Operating System (PPB BOS)

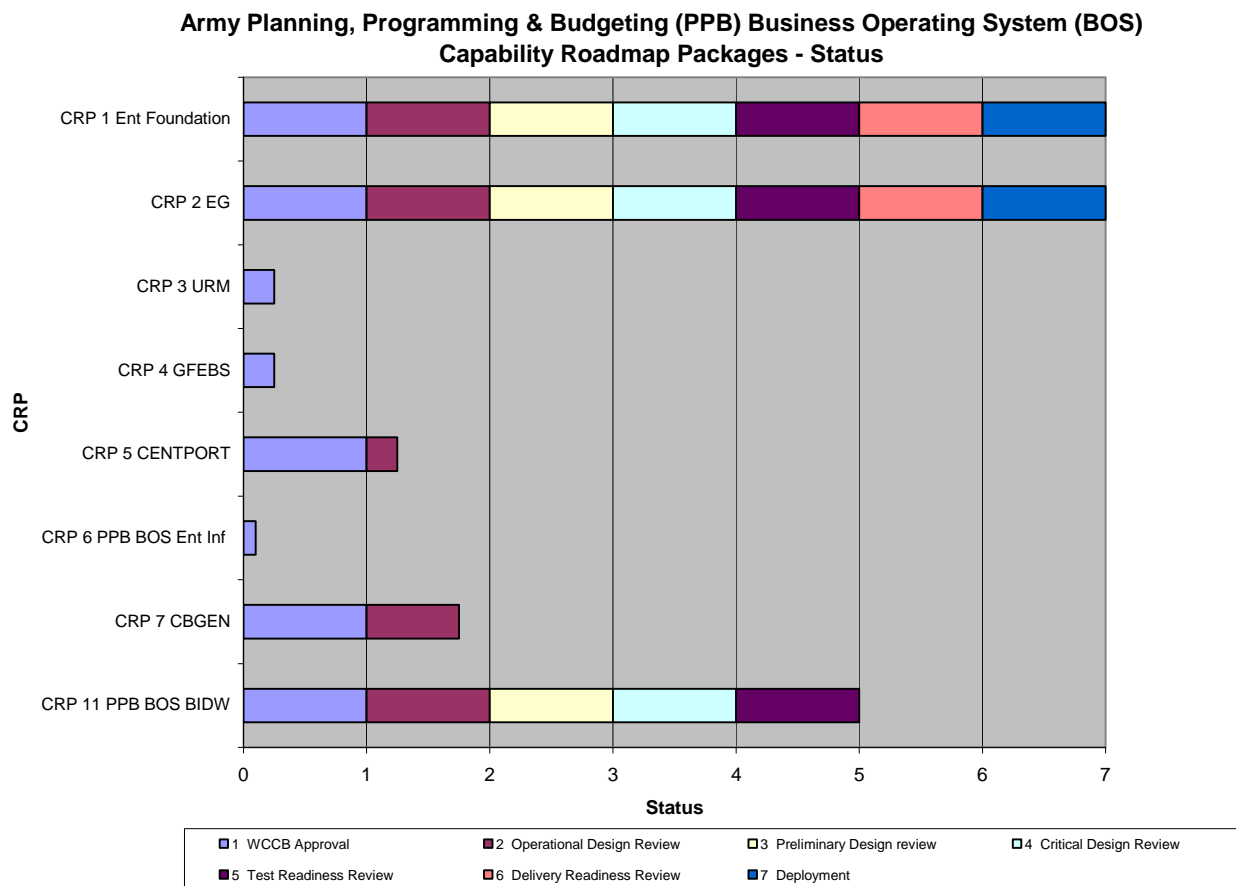


Figure 5-13: Army PPB BOS Capability Roadmap Packages Status

These initial capabilities will significantly improve the ability for PPB BOS to support future business automation capabilities in a controlled and consistent manner that reduces risk and eliminates redundancies. Additional planned capabilities will provide a powerful combination of analytical tools and data to all Army organizations, will bring together data from across the Army, consolidate existing reporting functionality into one system and provide consistent, easy to use decision support tools that provide real-time analytics and reporting at all levels.



Virtual Interactive Processing System (VIPS) (Supports Priority 7)**Description**

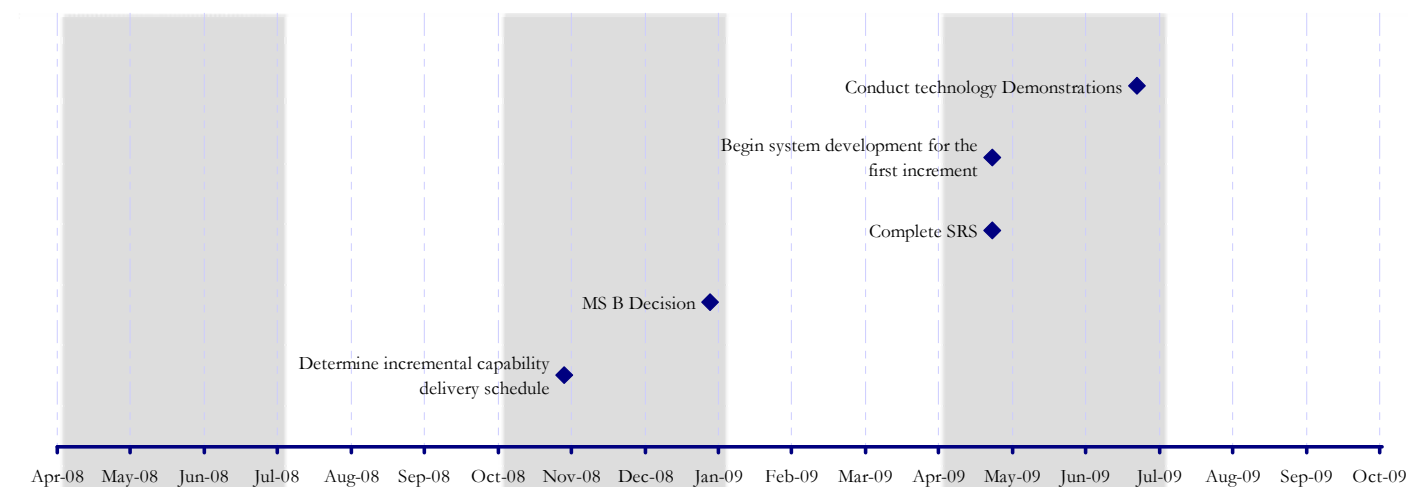
The VIPS Program will improve the United States Military Entrance Command's (USMEPCOM) ability to execute its primary accession qualification and pre-qualification mission for all DoD recruiting services by completely re-engineering business processes to meet Accession Community of Interest's (COI) current and evolving needs. VIPS will enhance the Accession Community's ability to rapidly expand applicant processing capacity (i.e., surge capacity) through activities such as online ASVAB testing and medical prescreening. In particular, VIPS will enable business processes to virtually pre-qualify/qualify applicants anytime and anywhere; make accession data appropriately and securely available to applicants and accession partners; ensure compliance with applicable DoD directives and policies; and take advantage of automated data capture devices to enhance data integrity.

Approach

Technology demonstration activities and risk reduction efforts for Increment 1, Release 1 will lead to successful completion of milestone (MS) B during early FY09. Completion of MS B in early FY09 will ensure start of System Development and Demonstration in FY09 and early achievement of MS C-1, which will allow for Increment 1 in FY10. Following Initial Operational Test & Evaluation (IOC T&E), Increment 1 will be deployed to USMEPCOM Headquarters and the 65 MEPS, thereby providing a functional baseline and IOC early in the program lifecycle. Subsequently, VIPS will begin development of additional releases. The final Increment will be deployed in FY12 with FOC attained in FY13 following completion of a Full FOC T&E to verify that functional capability requirement have been fulfilled and that the system is operationally effective.

Benefits

Improved overall quality, accuracy and timeliness of data shared between MEPCOM among all Accession community partners to include reception battalions; Improved quality of recruits reaching boot camp and reduced attrition during basic training; reduced number of physical visits to USMEPCOM by focusing on the most qualified applicants for military service; Save recruiting time and resources; potential reduction in workforce within the accessioning community. The improved applicant qualification environment and enhanced customer service will help reduce the number of qualified applicants that do not enlist due to the "hurry up and wait" repetitive procedures.

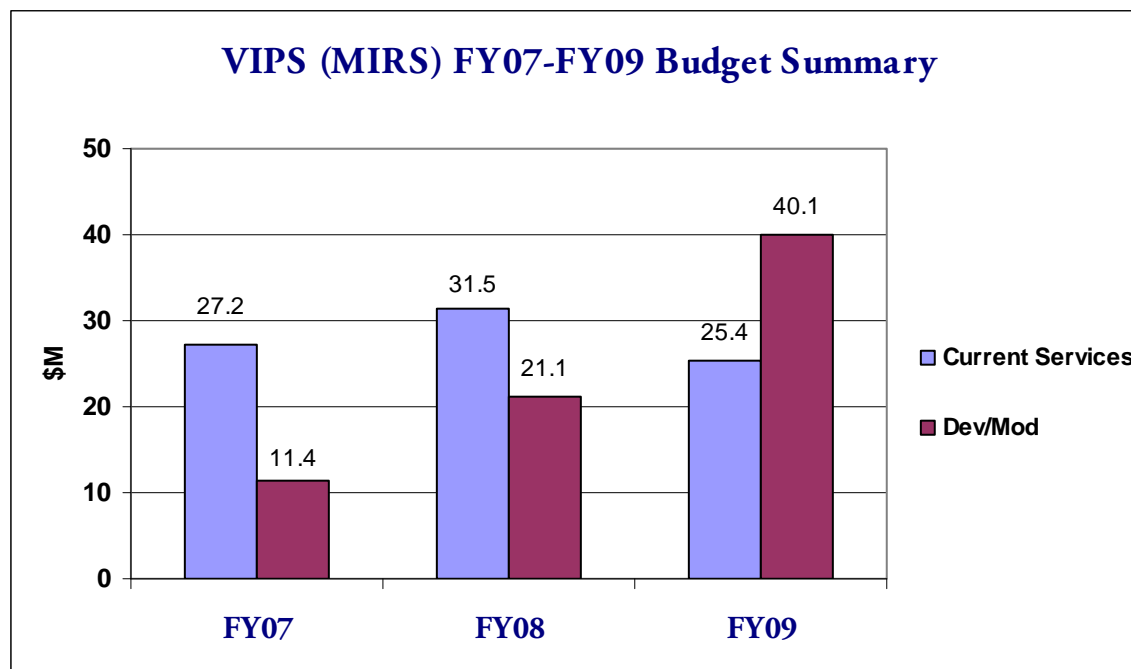
Timeline Diagram**Legacy System Term Date**

MIRS	Dec-13
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Virtual Interactive Processing System (VIPS)

VIPS FY07-FY09 Budget Summary and Details



The budget summary reflects dollars amounts for VIPS and a legacy system, USMEPCOM Integrated Resource System (MIRS). Both are reported in the same funding line within the DoD IT budget. MIRS will be subsumed by the VIPS enterprise initiative as increments are fielded and the modernized accession process is implemented in the field. The budget summary also includes all of the payroll costs associated with both systems.

The current level of funding is sufficient to achieve the near term goals for VIPS. This will be possible because USMEPCOM has already implemented a service oriented architecture interface with some recruiting services with others coming online in the near future. These capabilities will allow VIPS to capitalize on functionality to accomplish a true Net-Centric capability early in the program. USMEPCOM is also positioning its e-Security system to provide positive biometric identification of applicants throughout the accession process.

Currently, documentation is being prepared for a MS B decision in FY09 and an Affordability Assessment is being developed as part of that effort. The Affordability Assessment will provide a detailed view and comparison of the VIPS funding and the VIPS cost of activities. Once the Affordability Assessment has been approved, a more accurate estimate of the VIPS funding requirements will be available. However based on approved Milestone A documentation, there should not be a problem with the current level of funding to accomplish near term goals.

Since VIPS is a new system, the funding in FY08 is designated to support Technology Demonstration activities and risk reduction efforts for development of the first increment/release of functionality. Technology Demonstration activities will help achieve a successful Milestone B decision in FY09. The Dev/Mod funding will increase in FY09 to support System Development and Demonstration activities. VIPS will be implemented in an evolutionary approach based on scheduled increments/releases that will occur over next four years, achieving IOC in FY10. After FY10, VIPS will implement the remaining capabilities in order to achieve FOC by FY13.



Virtual Interactive Processing System (VIPS)**Accomplishments/Capabilities Delivered:**

- Completed the Business Process Reengineering effort in Q3 FY08. This ensures the processes being automated are the most efficient and effective.
- Determine the incremental capability delivery schedule Q1 FY09. This provides the plan for enabling the process enhancements in a manner that is coordinated with all Accession community operating entities and does not “break” any critical functionality.
- Completion of the Functional Requirements Document Q4 FY08. This provides the functional blueprint for the final system capabilities.
- Prepare all required Milestone B documentation to be completed in Q1 FY09. These documents provide compliance with the DoD5000.1 Acquisition Directive.
- Completed 78% or 17 out of the 22 first draft documents identified for Milestone B documentation in Q3 FY08. This provides a high level of confidence that the program will realize Milestone B approval on schedule.
- Scheduling Working Integrated Product Team (WIPT) reviews for the Milestone B first draft documents in Q3 FY08. This is the working level process to finishing the Milestone B documentation on schedule.

Near-Term Plans:

- Conduct Technology Demonstrations Q3 FY09. Demonstrate technical feasibility of interfacing via a Service Oriented Architecture technology with Recruiting, Defense Travel and the use of biometric based positive identification technologies.
- Complete Software the Requirements Specification (SRS) document Q3 FY09. The SRS provides the detail level of functional requirements necessary to develop all design documents from which the developers will construct the system.
- Obtain a favorable MS B Decision Q2 FY09. This is a major milestone in the execution of a DoD Acquisition Program at which formal approval to proceed with system development is granted. Begin system development of the first incremental release Q4 FY09. This development, when completed, will provide the first enhanced functional capabilities to the Accession community.



Army Mapper (AM) (Supports Priorities 6 and 7)**Description**

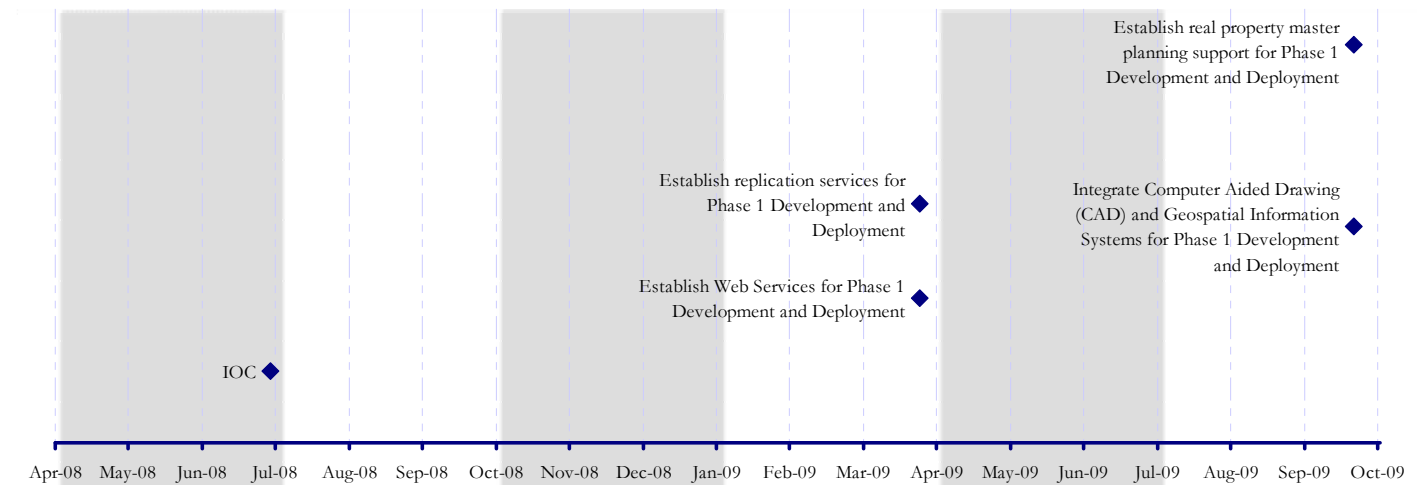
AM provides a net-centric, capabilities-based, fully integrated, geospatially focused framework for the U.S. Army to support installation management, mission assurance, protection of critical Army assets, readiness and mission execution. Situational awareness plays a critical role in ensuring the success of mobilization, demobilization and power projection operations in both the continental United States and overseas and ensuring that the infrastructure that is crucial to the Army mission is sustained, supported (logistics) and defended (force protection). Army components, offices, divisions and programs require situational awareness to establish, improve, sustain, or integrate like efforts in support of the Army's overall mission readiness and critical infrastructure management. AM is the Army geospatial database of record for installations and environment data providing geospatial information to decision makers, unconstrained by geographic proximity, echelon, or Command.

Approach

AM is the authoritative geospatial system for the I&E Domain. The AM will be implemented by: a) providing a basic geospatial capability across the Domain; b) developing standard GIS data and functionality; c) Increasing the availability of these GIS capabilities; and d) eliminating redundant I&E GIS capabilities.

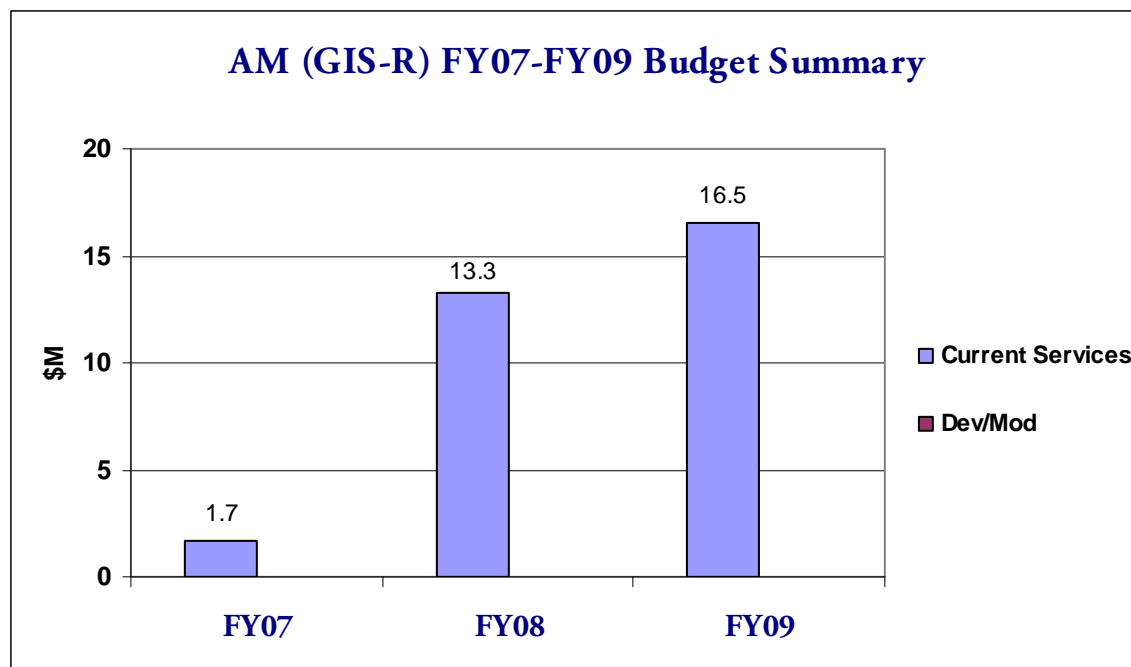
Benefits

By implementing the AM, the I&E Domain expects to improve the effectiveness and efficiency of the delivery of geospatial capabilities in support of installation management, mission assurance, protection of critical Army assets, readiness and mission execution. Implementing the AM will reduce operating costs, improve access to information and allow the I&E Domain to meet the requirements of the Department of Defense Network Centric Enterprise Services and Net-Centric Data Strategy.

Timeline Diagram**Legacy System Term Date**

32 Systems	Dec-11
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Army Mapper (AM)**Army Mapper FY07-FY09 Budget Summary and Details**

No Dev/Mod funding budgeted for FY07-FY09. The Dev/Mod funding requested will be utilized to meet the milestones identified in the timeline. The sustainment funding is necessary to keep the core system operational while additional modules are fielded.

Program funding shortfalls have been identified in the AM budget submission. If these are not satisfied milestones identified for FY09 can not be satisfied.

The required Dev/Mod funding for FY09 must be reprogrammed from operations and maintenance to research, development, test and evaluation funding. The Army did not program for Dev/Mod in FY07.

Accomplishments/Capabilities Delivered:

- Established AM Enterprise Platform in Q1 FY08. The platform is the foundation for deployment of Army Mapper. It was the first step in deploying AM.
- Established basic geospatial tools in Q2 FY08. These tools provide a standard capability to the I&E Domain for basic situational awareness, analysis and map production.
- Completed migration to hosting facility in Q4 FY08. Migration to the hosting facility provided increased physical security, bandwidth and storage capacity, which provides capacity to service anticipated usage.
- Established full Continuity of Operations (COOP) site in Q4 FY08. The COOP site provides failover capability and disaster recovery in case the hosting facility is not operational. In addition it provides complete backup of Army Mapper data.
- Deployed enterprise wide web-based services in Q4 FY08, providing significant capability improvements, enterprise access to authoritative and standardized geospatial data.
- Replicated enterprise GIS services in Q4 FY08, providing significant capability improvements including data backup, access to up-to-date geospatial data from installations.



Army Mapper (AM)**Near-Term Plans:**

- Establish enterprise web-based services in Q2 FY09 providing significant capability improvements including enterprise access to authoritative, standard geospatial data.
- Establish replication services in Q2 FY09 providing significant capability improvements including data backup, access to up-to-date data from installations.
- Establish Computer Aided Drawing (CAD) and Geospatial Information Systems (GIS) integration in Q4 FY09 providing significant capability improvements including access to a common installation picture, improved communication and data sharing across installations.
- Establish real property master planning support in Q4 FY09 providing significant capability improvements including improved planning and decision making.
- Support real property in Q2 FY10 providing significant capability improvements including improved data quality and availability for the real property community.
- Support reconciliation of environmental liabilities with real property assets in Q3 FY10 providing significant capability improvements including improved asset tracking and visualization.



Army

Army Vision - Relevant and Ready Landpower in Service to the Nation

Army Business Mission Area Mission - Support the Army Warfighter through world-class, net-centric access to knowledge, systems and services enabling confident and timely decision making across the Enterprise. Plan for and achieve strong Governance, effective Information Technology Portfolio Management (IT PfM) and an integrated Business Mission Area (BMA) Architecture that, together, enable consistent guidance for end-to-end business process improvement and IT investment decisions.

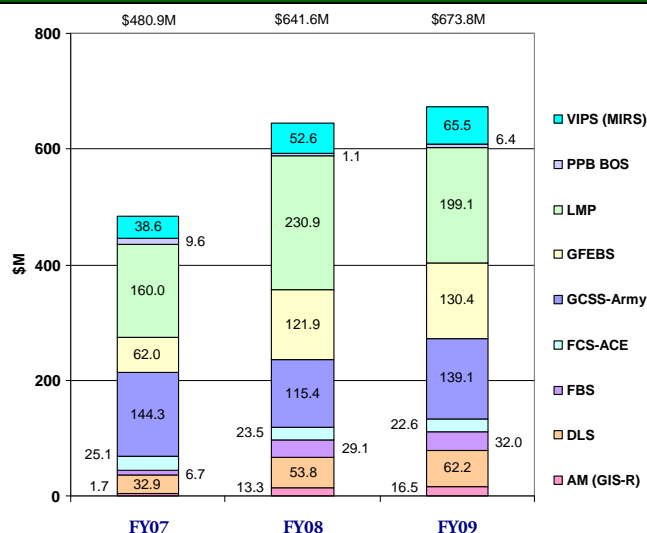
Army's Transformational Goals

- Enabling an integrated and cost-aware operating picture and information framework, including the acquisition, financial, installation and environmental (I&E) management, logistics and personnel information required by all levels of execution for optimal management of the assets needed for the Army's Warfighting and BMAs and for effective support of Soldiers and their Families.
- Synchronizing Army BMA business practices and programs with DoD, Joint and Army-wide people, processes and technologies.
- Improving the working relationships among functional leaders, program managers and system integrators and contractors to ensure effective metrics are developed and monitored for program and system cost, schedule and performance requirements.
- Continuing the improvement of IT investment management through the investment certification process, stronger Mission Area, Domain and cross-Mission Area governance of Army IT PfM, increased visibility and prioritization of Army IT budgets down to the individual system level and increased scrutiny of legacy systems and systems in sustainment.

Priorities

- Continue the integration of ERP and other transformational systems and initiatives with the BMA lead, functional leaders, Program Executive Officer Enterprise Integration Systems (PEO EIS) and resource and program managers in close alignment with the BTA.
- Obtain a clean audit of Army financial transactions and improve end-to-end asset accountability and visibility by building a deployable financial management system integrated with an automated logistics system and associated elements—acquisition, I&E and personnel.
- Field the DIMHRS in March 2009. Continue transformational efforts by leveraging the integrated personnel and payroll ERP system and reducing separate personnel systems development.
- Continue the development of the Army's Enterprise Architecture.
- Improve business practices through CPI to decrease operational cost and cycle times and reduce unnecessary work and rework.
- Continue development of GIS and other tools for real property planning, accountability and health, safety and environmental requirements.
- Create the information management environment that provides all the information elements—including acquisition, financial, personnel, installations and environment and logistics—required by the enterprise to man, train and equip the Warfighter.

FY07-FY09 Budget Summary



GCSS-Army – The FY07 and Earlier Actuals figure includes legacy system and custom development execution not specific to the GCSS-Army ERP solution.

Systems & Initiatives

Transformational

Army Mapper (AM)

Distributed Learning System (DLS)

Future Business System (FBS)

Future Combat System Advanced Collaborative Environment (FCS-ACE)

Global Combat Support System – Army (GCSS-Army)

General Fund Enterprise Business System (GFEBs)

Logistics Modernization Program (LMP)

PPB Business Operating System (PPB BOS)

Virtual Interactive Processing System (VIPS)

Fully Implemented

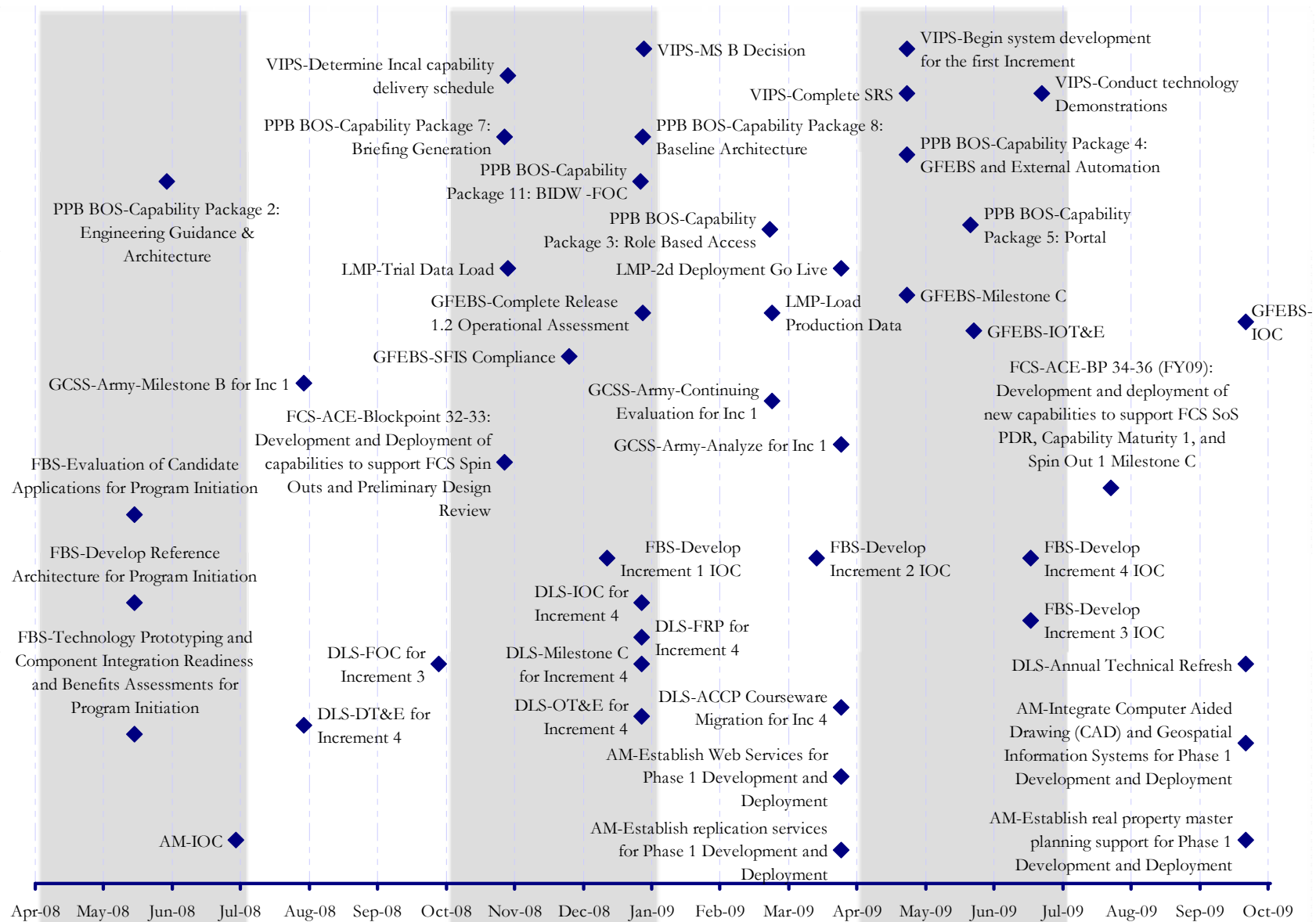
None

Changes since the March 2008 Congressional Report

- eAWPS has been removed as a transformational program, due to funding cuts and a change in program directions for modules within the program.
- DTAS and TC-AIMS II are fielding successful transformational programs and have met the objectives for business system modernization. They will no longer be listed as transformational programs in the ETP.
- PPBE BI/DW's proposed functionality has been rolled into the PPB BOS program with no additional funding requirements.



Army Milestone Summary



Case in Point: Business Transformation in Action – TC-AIMS II and DTAS

The Army is promoting two significant, successful programs from its list of transformational programs to the family of sustainment programs that do the day-in, day-out work of training, manning and equipping the Warfighter.

TC-AIMS II achieved a milestone fielding decision for Block 3 (Theater Operations) in December, 2007. The program was designated ACAT 3 and placed in sustainment. With software development not focused on updates and change proposals, emphasis is transitioning to customer service and satisfaction.

TC-AIMS II Increment 3 provides an automated transportation planning and execution capability for Joint Reception, Staging, Onward Movement and Integration operations within the theater of operations and enhances convoy operations. In a web-based environment, units submit movement requests and movement teams receive and process those requests. At the truck company, the Soldier can now see movement requirement, plan and assign truck assets to a convoy and associate the cargo to the convoy. Movement control teams can release cargo, provide deconfliction and monitor movements within a given theater. The data captured within the system is visible to users across the theater, maximizing In-Transit Visibility.

As it continues to be fielded, Increment 3 will be employed by theater movements control activities, including Movement Control Teams, in-theater movement managers, trans-shippers and mode operators. The Program Manager began the fielding and training of Theater Operations in July, 2008, while continuing the fielding and training of Unit Move functions.

The first two increments of TC-AIMS II provided a modern, network-based Unit Move capability to the Army and Navy allowing units to increase In-Transit Visibility in capturing source deployment data for cargo and personnel from post to camp to the point of embarkation. The same capability, used in reverse, allows units to redeploy as well.

The acceptance of TC-AIMS II by the users has increased dramatically with units turning in outdated equipment upon completion of fielding and training. Stakeholders are involved in the requirements process from generation to the Critical Design Reviews and Government Acceptance Testing of the new software builds.

The Deployed Theater Accountability System (DTAS) was developed in response to the need of Combatant Commanders for timely, accurate information on personnel readiness and availability. It is the first enterprise-wide personnel tracking system running on the Secret Internet Protocol Router Network (SIPRNet). It provides Commanders and personnel specialists with near-real-time accountability of deployed military personnel, civilians, contractors and foreign nationals in-Theater by name, SSN, unit, location and day, providing a SECRET level accountability function not available in DIMHRS.

DTAS allows tactical units uninterrupted access to data while updating higher Headquarters when communications are available and provides a web-enabled application for Theater/Command level personnel to manage units and analyze the data. This visibility is vital for determining the warfighting capability of the Army and subordinate Commands within a specific theater. DTAS also provides the deployment history of individual Soldiers for historical, medical and analytic purposes. The system is in use by all land component forces (Army and US Marine Corps) in the Central Command Area of Operations and is being extended into the Continental United States.

It is appropriate to retire DTAS as one of the Army's targeted, transformational programs. It becomes part of the family of successfully deployed programs in sustainment, doing the vital, day-in, day-out business of an expeditionary Army with global responsibilities.

TC-AIMS II and DTAS have successfully met the Army's business transformation Priority 7: Create the information management environment that provides all the information elements—including acquisition, financial, personnel, installations and environment and logistics—required by the enterprise to man, train and equip the Warfighter.



Chapter 6: Department of the Navy

Department of the Navy Transformation Vision and Strategy

The Department of the Navy's (DON) business transformation vision is to significantly increase the readiness, effectiveness and availability of warfighting forces by employing business process change to create more effective operations at reduced costs and by exploiting process improvements, technology enhancements and an effective human capital strategy to assure continued mission superiority.

Our transformation goals, described below, are designed to support the maritime strategy, *A Cooperative Strategy for 21st Century Seapower*. Guided by objectives articulated in National Security and Department of Defense (DoD) strategic policy, the Cooperative Strategy states how the Navy, Marine Corps and Coast Guard will act across the full range of military operations to secure the United States from direct attack; secure strategic access and retain global freedom of action; strengthen existing and emerging alliances and partnerships and establish favorable security conditions. The *Cooperative Strategy for 21st Century Seapower* seeks to use the assets of all three of the nation's maritime services to achieve a balance of peacetime engagement and major combat operation capabilities to include forward presence, deterrence, sea control, power projection, maritime security and human assistance and disaster response.

Interoperability will be key to the success of the Global Maritime Partnership envisioned in current and future policies established by the DON. Maritime forces will be employed to build confidence and trust among nations through collective security efforts focused on common threats and mutual interests in an open, multi-polar world. To do so will require an unprecedented level of integration among our Sea Services and enhanced cooperation with the other instruments of national power, as well as the capabilities of our international partners.

Department of the Navy Business Transformation Overview

The DON is responsible to make necessary investments in future capabilities while sustaining current warfighting effectiveness. As part of a strategy to achieve these competing ends, the DON has adopted business transformation policy designed to:

- Lead process change to continuously improve core business processes and systems to achieve efficiencies in DON business operations.
- Leverage technology enhancements and streamline, integrate and synchronize core warfighter support business mission areas to ensure continued mission superiority.

One Navy business transformation concept, Navy Enterprise, is an initiative to improve organizational alignment, refine requirements, harvest efficiencies and reinvest savings in targeted areas to improve warfighting effectiveness. Navy Enterprise is applying process-mapping techniques and other lessons learned from the worldwide business revolution to assess Navy organizations, target areas for improvement, prioritize investments and fund them accordingly.

The Marine Corps' warfighting readiness is likewise a reflection of its success in balancing support of current operations with the imperative to invest and prepare for the future. In the Marine Corps, "business reform" means the fundamental transformation of Marine Corps business enterprise processes to create increased effectiveness, efficiency and resilience and to facilitate and encourage innovation. These improvements will be accomplished by changing the business enterprise culture.



DON Priorities Overview

To support the Navy's business transformation efforts, the DON's priorities are as follows:

- 1) Establish and Manage a Secure, Interoperable Net-Centric Naval Information Management/Information Technology (IM/IT) Infrastructure
- 2) Create Optimized Processes and Integrated Systems
- 3) Optimize Investments for Mission Accomplishment
- 4) Transform Applications and Data into Web-based Capabilities to Improve Effectiveness and Gain Efficiencies
- 5) Align Business Mission Area Governance

DON Program and Initiative to Priorities Mapping

The table below depicts the relationships between DON's transformational programs and initiatives and the DON priority they support.

Programs and Initiatives	Priorities				
	1	2	3	4	5
Global Combat Support System Marine Corps (GCSS-MC)		•		•	
Joint Engineering Data Management Information and Control System (JEDMICS)		•		•	
Military Sealift Command Human Resources Management System (MSC-HRMS)		•		•	
Navy Cash™			•		
Navy Enterprise Resource Planning (ERP)	•	•	•	•	
One Supply		•		•	
Total Force Administration System/Manpower Operations Systems (TFAS/MOS)		•		•	
Total Force Structure Management System (TFSMS)		•		•	
Transformational Activities					
Consolidated Afloat Networks and Enterprise Services (CANES)	•				
Enterprise Software Initiative (ESI)			•		
DON Net-Centric Data Strategy and Roadmap	•		•		
Next Generation Enterprise Network (NGEN)	•				



DON Priority #1: Establish and Manage a Secure, Interoperable Net-Centric Naval IM and IT Infrastructure

The Sea Services will maintain a persistent global presence using distributed forces extended beyond traditional deployment areas and performing missions ranging from humanitarian operations to counterterrorism and irregular warfare. Maritime forces will be tailored to the unique and evolving requirements particular to each geographic region, often in conjunction with joint, allied and interagency partners. The DON continues to plan, implement, operate and sustain a global information infrastructure to provide secure, interoperable and end-to-end connectivity to our Sailors, Marines and Civilians. This infrastructure's common architecture and technical standards will ensure that the naval component of the DoD Global Information Grid (GIG) maintains interoperability with Joint Forces, allied coalitions and interagency partners. This priority supports the Business Enterprise Priority of Common Supplier Engagement (CSE).

Transformational Activities

NGEN: The NGEN initiative is a set of phased activities that will guide the DON toward a net-centric enterprise information environment. NGEN will connect and transform existing DON enterprise and legacy networks into a secure, reliable, globally integrated computing and communications enterprise. NGEN will provide the foundation for the DON's future Naval Network Environment (NNE) that will provide users with ubiquitous access to their data and services regardless of their physical location and be interoperable with and leverage other DoD-provided Net-Centric Enterprise Services.

Accomplishments/Capabilities Delivered:

- Signed requirements document and established NGEN Program Office.
- Began acquisition Analysis of Alternatives.
- Completed Naval Network Environment 2016 Strategy.

Near-Term Plans:

- Develop a transition strategy for conversion from NMCI to NGEN Block One in Q2 FY09. Initial focus is on identification of FY09 transition activities to reduce cost, schedule and performance risk during the conversion.
- Complete inventories of NMCI infrastructure and assets to determine the baseline for acquisition and transition efforts in Q4 FY09.

CANES: CANES is a plan to consolidate and enhance afloat C4I networks and support the migration of tactical DON applications toward service-oriented architecture (SOA). CANES will provide fleet users with a single reliable, secure, modern network with significant capability enhancements over legacy C4I networks. Using SOA, the DON will be able to identify a common set of core services for use by all applications. Thus, Navy activities, particularly ships at sea, with their limited data storage capability, will be able to run an increased number of applications on fewer networks and be able to take advantage of numerous advanced Joint applications. Sailors and Marines embarking upon Navy ships will no longer need to bring their systems aboard; their software will run on ships' organic systems, maintaining uninterrupted service and connectivity. Some early adopter CANES capabilities will be delivered to the Fleet (LINCOLN Strike Group and Commander Pacific Fleet Maritime Headquarters/Maritime Operation Center (COMPACFLT MHQ/MOC) beginning in FY09.

Accomplishments/Capabilities Delivered:

- Completed DON and Joint Staff review in Q1 FY08.
- Completed Gate 3 review of the Secretary of the Navy Acquisition Reform Process in Q2 FY08.
- Completed architecture specification version 2.3 and System readiness review in Q4 FY08, with extensive industry participation to reduce technical and schedule risk.



Near-Term Plans:

- Achieve Milestone B to begin system development in Q1 FY09.

DON Net-Centric Data Strategy and Roadmap: The DON Net-Centric Data Strategy will guide implementation of the DoD net-centric vision across the DON.

Accomplishments/Capabilities Delivered:

- Began DON database registration as the first step toward identification of authoritative data sources.

Near-Term Plans:

- Pilot process for identification and use of authoritative data sources.
- Define Roadmap for achieving net-centricity across the DON.

Registration of Navy Databases

Before the DON can net-centrally publish its data to users, it must first discover, register its databases and determine which will serve as authoritative sources. The Department is currently engaged in discovery and registration and expects to be able to begin determination of authoritative sources in mid-FY09.

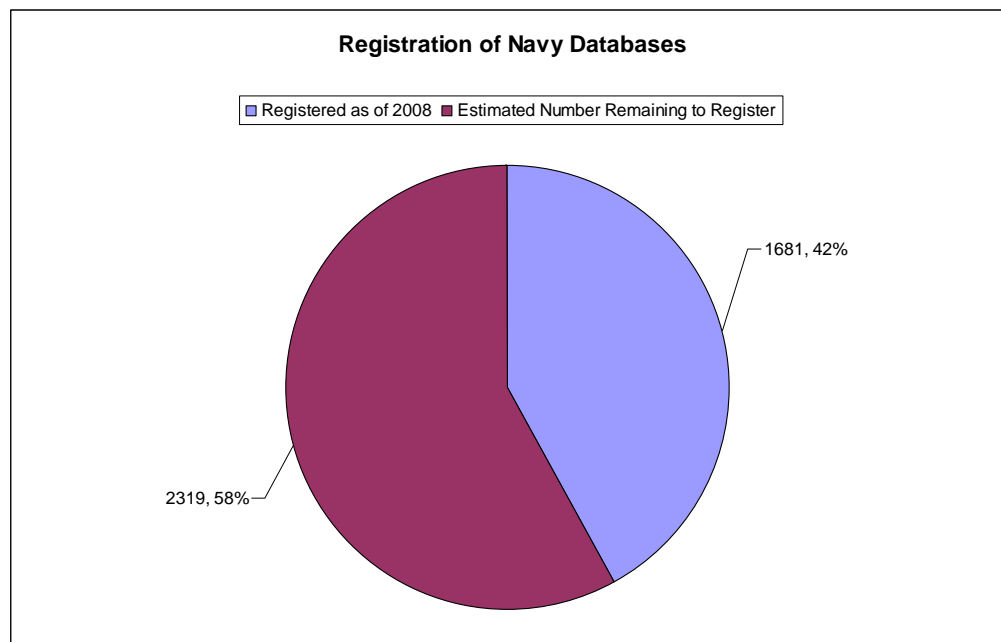


Figure 6-1: Registration of Navy Databases

The DON effort to establish authoritative data sources is currently in the discovery/registration phase. Figure 6-1 shows there are an estimated 4,000 databases in the Navy and 1681 were registered by September 2008. In FY09, as registration concludes, the DON will employ a pilot process for determining what databases will be designated authoritative.

DON Priority #2 and Metric: Create Optimized Processes and Integrated Systems

Establishing process change is crucial to successful business transformation. Rather than just automating inefficient operations, the DON is aggressively moving forward to optimize its business processes and develop innovative integrated systems to support those improved processes before inserting technology. This priority supports the Business Enterprise Priorities of Materiel Visibility (MV), CSE and Personnel Visibility (PV).



Priority Transformational Program

Navy Enterprise Resource Planning (ERP): The Navy ERP program will transform business activities into an integrated network of decision-making processes and activities. Navy ERP will be a major component of the Navy's Global Combat Support System (GCSS) family of systems and provide a critical link between operating forces and the Navy's support echelons. The program will reduce overall Navy costs by applying proven industry best practices and processes and replacing legacy IT systems; facilitating an end-to-end solution for receiving requests for resources and processing them to fulfillment; replacing stove-piped systems used for financial management, inventory management and industrial operations with an integrated system; and enabling rapid response to operating forces logistic needs through integrated visibility and status data.

Accomplishments/Capabilities Delivered:

- Achieved Initial Operational Capability (IOC) on 12 May 2008.

Near-Term Plans:

- “Go Live” and begin deployment of Financial & Acquisition Release (1.0) at Naval Supply Systems Command (NAVSUP) headquarters in Q1 FY09.
- Begin Wholesale and Retail Supply Release (1.1) Test Readiness Review Q2 FY09.
- Begin Space and Naval Warfare Systems Command (SPAWAR) deployment for Release 1.0 in Q1 FY10.
- Begin Wholesale and Retail Supply Release (1.1) deployment for the Naval Inventory Control Point (NAVICP) in Q2 FY10.

Metric: DON Legacy Systems to be Retired by Navy ERP

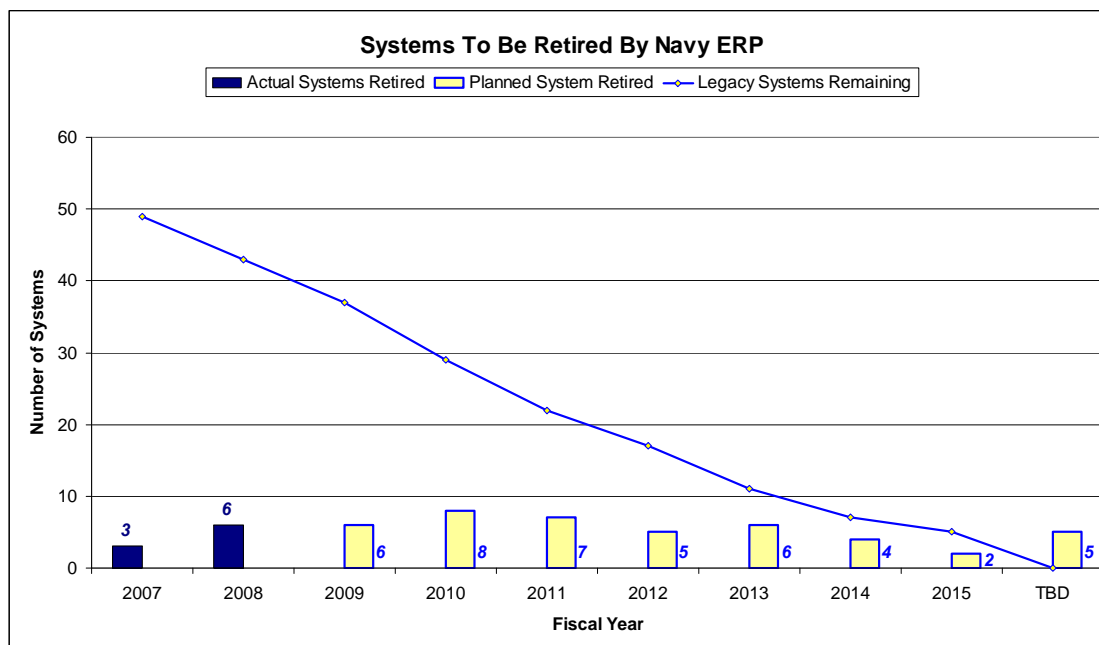


Figure 6-2: DON Legacy Systems to be Retired by Navy ERP, Fiscal Years 2006-2015

Current plans call for 47 legacy systems to be retired by Navy ERP by the end of FY15, as depicted in Figure 6-2. Additional systems are under consideration for retirement, pending technical analysis and resource availability.

DON Priority #3: Optimize Investments for Mission Accomplishment

The DON is committed to acquiring Naval IM/IT investments as efficiently as possible to make resources available for reapplication to warfighting priorities. The Department is working to achieve an optimal mix of investments that delivers required capabilities and eliminates investments that are redundant or not aligned with DoD and DON strategy and policy. The DON is leveraging DoD's immense buying power to reduce the cost of Commercial Off-the-Shelf (COTS) IT and implement an enterprise software management process. Additionally, the Navy and Marine Corps are working to improve and standardize their business processes for key acquisition, financial and logistics operations. This priority supports the Business Enterprise Priority of Financial Visibility (FV).

Transformational Activities

ESI: The DoD ESI, co-chaired by the DON, was undertaken to reduce the cost of acquiring and maintaining commercially available software products. By aggregating requirements and leveraging DoD's immense buying power, ESI is able to achieve the most favorable terms and pricing. The ESI's effectiveness in meeting its objectives lies in its ability to increase the number of DoD member organizations using negotiated enterprise license agreements, achieving significant cost reductions from individually negotiated prices, satisfying DoD organization requirements and obtaining funding to support enterprise software agreements.

Accomplishments/Capabilities Delivered:

- Established DoD-wide Enterprise Software Agreements to enable central procurement of iGrafx, Minitab and PowerSteering software.
- Issued DON enterprise purchase of iGrafx and Minitab tools for use by Lean Six Sigma Black Belts and Green Belts.

Near-Term Plans:

- Establish a DON Continuous Processing Improvement Program to centrally procure and manage iGrafx, PowerSteering and Minitab software.

The DON evaluates ESI's effectiveness by the number of individually negotiated software contracts eliminated and the savings achieved by leveraging favorable pricing and reducing contract maintenance costs, as detailed in Figure 6-3.

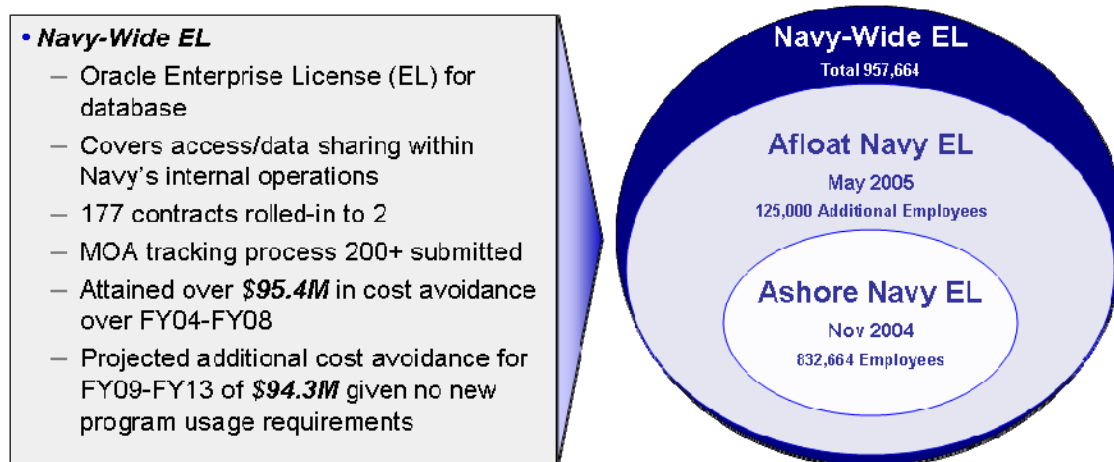


Figure 6-3: Enterprise Software Initiative: *Oracle Enterprise License*



DON Priority #4: Transform Applications and Data into Web-based Capabilities to Improve Effectiveness and Gain Efficiencies

DON enterprise portals and employment of open standards and technologies will give Sailors and Marines access to secure self-service transactions from anywhere in the world; freeing Sailors, Marines and DON Civilians to focus on core missions and enabling transformational change in our logistics, maintenance, manpower and financial operations.

These efforts will further the DON strategy of:

- Transferring required capabilities to the web.
- Making information and services more readily accessible to warfighters.
- Improving personnel and material status visibility for Component and joint planners and commanders.
- Reducing the need for personnel administration through secure, self-service transactions.
- Moving administrative functions ashore and away from afloat/expeditionary organizations.

This priority supports the Business Enterprise Priority of MV, CSE and PV.

Priority Transformational Programs

One Supply: One Supply is the Navy fleet support concept and operation to enable Distance Support and promote leaner, fleet-focused IT budgets ashore. One Supply's objective includes an infrastructure to support a web portal environment, single sign-on, integration broker and web service capabilities.

TFAS/MOS: Allows Marines and leaders to view and update personnel data and conduct Human Resources (HR) transactions online. TFAS/MOS greatly reduces the administrative overhead associated with labor-intensive, paper-based processes.

Accomplishments/Capabilities Delivered:

- One Supply completed Capability Assessment of Initial Single Sign On in Q3 FY08.
- TFAS/MOS completed Intra-Governmental Payment and Collection System (IPAC) Case Management Phase I Enhanced Capabilities in Q2 FY08.
 - Unit Management Status Report (UMSR) Enhancements
 - Promotion Recommendation (PromRec) Rewrite
 - Organizational Management (Org Mgmt) Enhancements

Near-Term Plans:

- One Supply Software Development in Q2 FY09.
- One Supply Web Services Testing in Q2 FY09.
- One Supply Release Single Sign On in Q2 FY09.
- One Supply Release of Initial Web Services in Q3 FY09.
- Provide Marine Corps members an on-line means for viewing TFAS Official Military Personnel File (OMPF) in Q1 FY09.
- Provide Marine Corps Reservists an automated means for issuing orders using the TFAS Marine Reserve Order Writing System Web-enabled (MROWS-W) Module in Q1 FY09.
- Deploy TFAS Drill Management (DM) Module enabling community scheduling and accounting drill periods in Q4 FY09.
- Deploy TFAS Secure Personnel Accountability (SPA) Module to deployed accountability Marine Corps personnel in Q4 FY09.



USMC Personnel Transactions Performed Online

Transformation of business applications into Web-based capabilities is enabling the DON to reallocate manpower formerly needed to perform manual administrative processes to warfighting mission roles. For example, since the inception of TFAS “Marine Online”, 55% of unit level reporting transactions is now performed online, rather than at the fourteen USMC Installation Personnel Administration Centers.

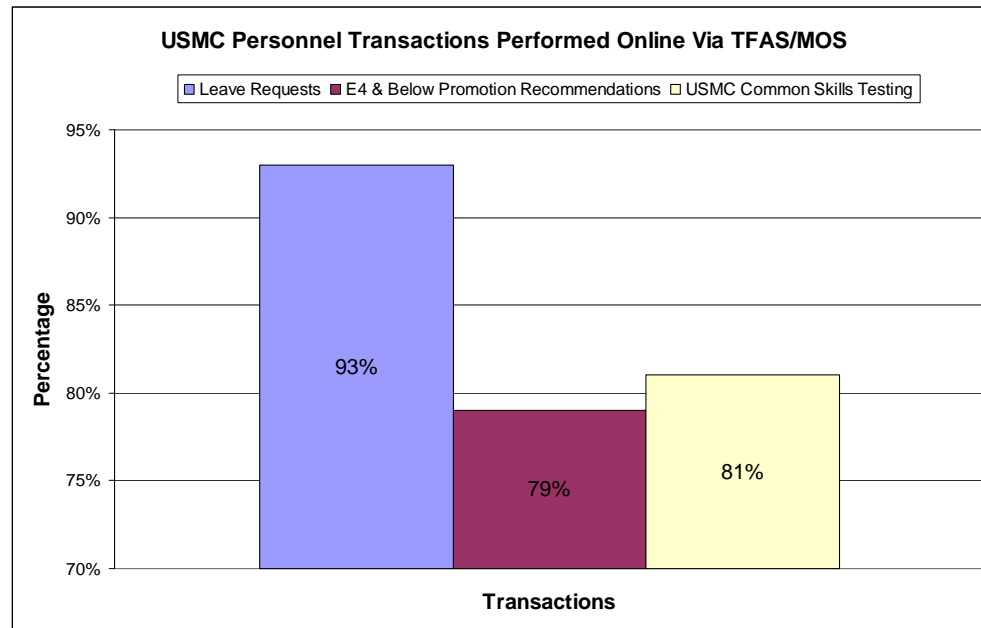


Figure 6-4: USMC Personnel Transactions Performed Online

Some individual actions included in the 55% of USMC personnel transactions now performed largely, or almost completely, online are depicted in Figure 6-4, above.

DON Priority #5: Align Business Mission Area Governance

The DON continues to evolve its business mission area governance to structure and policies to improve performance and maintain alignment with DoD. Since the last edition of this document, the Department has been working aggressively to implement the Chief Management Officer (CMO) responsibility in the DON and to adjust existing governance bodies and policy, such as the functions of the Business Transformation Council, accordingly.

The DON's Functional Areas are aligned with DoD's Core Business Missions (CBM) and executive members of the DON are assigned as representatives to the DoD Investment Review Boards corresponding to their staff responsibilities. This priority supports the Business Enterprise Priority of CSE.

Accomplishments/Capabilities Delivered:

- Implemented CMO responsibility in the DON, appointed Assistant Secretary of the Navy (FM&C) Acting CMO.
- Re-established the Business Transformation Council under CMO leadership.

Near-Term Plans:

- Implement DON Deputy Chief Management Officer (DCMO) position.
- Publish DON Strategic Management Plan.
- Publish Secretary of the Navy Instruction 8115.02, DON policy and procedures for management of information technology investments as portfolios.



DON Programs

Global Combat Support System Marine Corps (GCSS-MC) (Supports Priorities 2 and 4)

Description

GCSS-MC is the primary technology enabler for the Marine Corps Logistics Modernization strategy. The design is focused on enabling the warfighter to operate while deployed with reach back from the battlefield. The core is modern, commercial-off-the-shelf enterprise resource planning software. The system will provide visibility of logistics information throughout the Marine Corps from the operating forces conducting deployed operations around the world to sustainment planners in Continental United States (CONUS) based supporting establishment organizations.

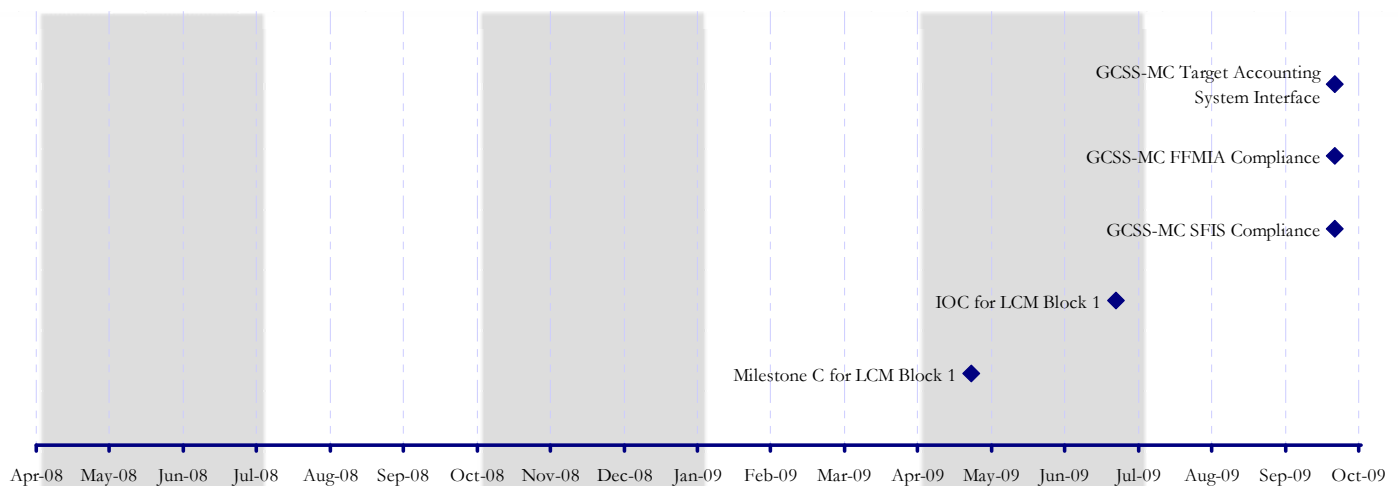
Approach

GCSS-MC Block 1 will replace 30-year old legacy supply and maintenance information technology systems. Future incremental development will focus on enhancing capabilities in the areas of warehousing, distribution, logistics planning, decision support, depot maintenance and integration with emerging technologies to further improve asset visibility.

Benefits

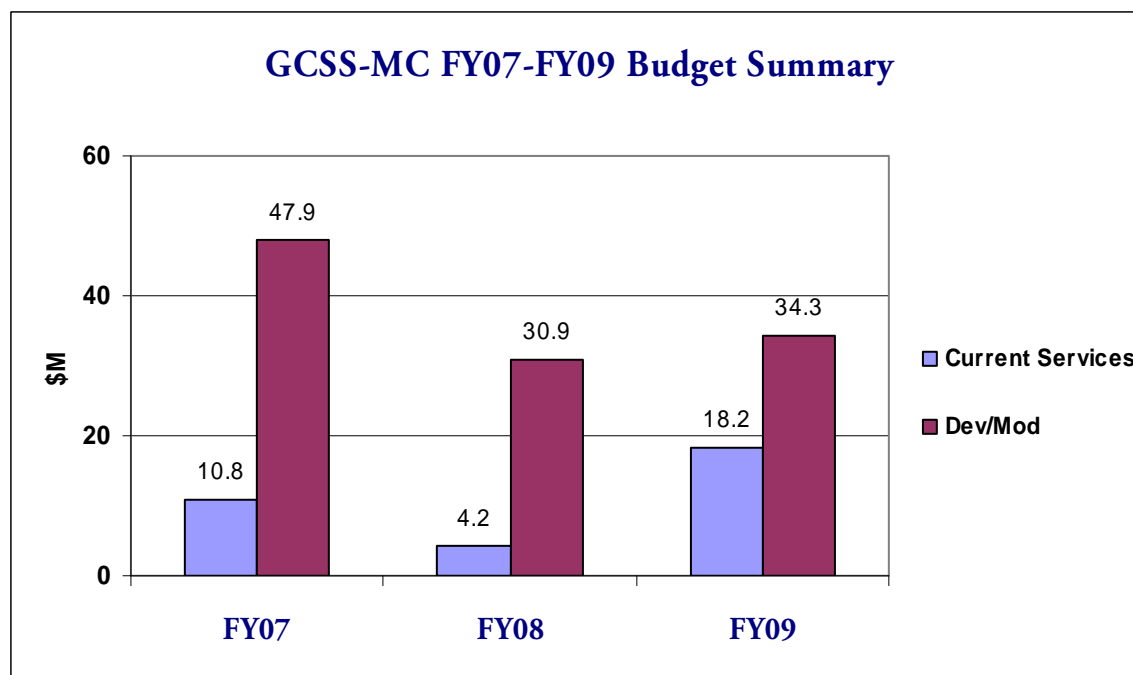
GCSS-MC will provide a single system that supports common processes for requesting supplies/logistics in both deployed and garrison environments. The system will provide enterprise visibility of information that will enhance in-transit and total asset visibility, increase equipment accountability, reduce redundant requisitioning, enhance financial reporting, support Logistics Chain Management over the last tactical mile and serve as the foundation for future process improvements.

Timeline Diagram



Legacy System	Term Date
ATLASS	Sep-10
MIMMS	Sep-10
PC MIMMS	Sep-10
SASSY	Sep-10



Global Combat Support System Marine Corps (GCSS-MC)**GCSS-MC FY07-FY09 Budget Summary and Details**

Based on rolling delays in Design Build and Test, an Acquisition Program Baseline (APB) schedule breach is projected. The PMO is developing a new APB schedule baseline, new IOC and Full Operational Capability (FOC) dates and the revised level of funding needed to achieve the program's near term plans.

Near-Term Plans:

- Complete and obtain approval of new GCSS-MC Block 1 APB in Q1 FY09. The APB is being rebaselined due to schedule slips and cost overruns, caused by rolling delays during the system design, build and early test phases. There were emerging, unforeseen technical complexities in the deployed Multi-Instance capability, the Cross Domain capability, interface identification/definition issues and legacy system data conversion.



Joint Engineering Data Management Information and Control System (JEDMICS) (Supports Priorities 2 and 4)

Description

As the DoD standard repository system, JEDMICS core mission encompasses the receipt of engineering drawings and related technical data from the Acquisition and In-Service communities and likewise the association of those drawings to related technical data, the validation of the integrity of the index information, as well as provide for data storage, access control, data availability and eventual archive.

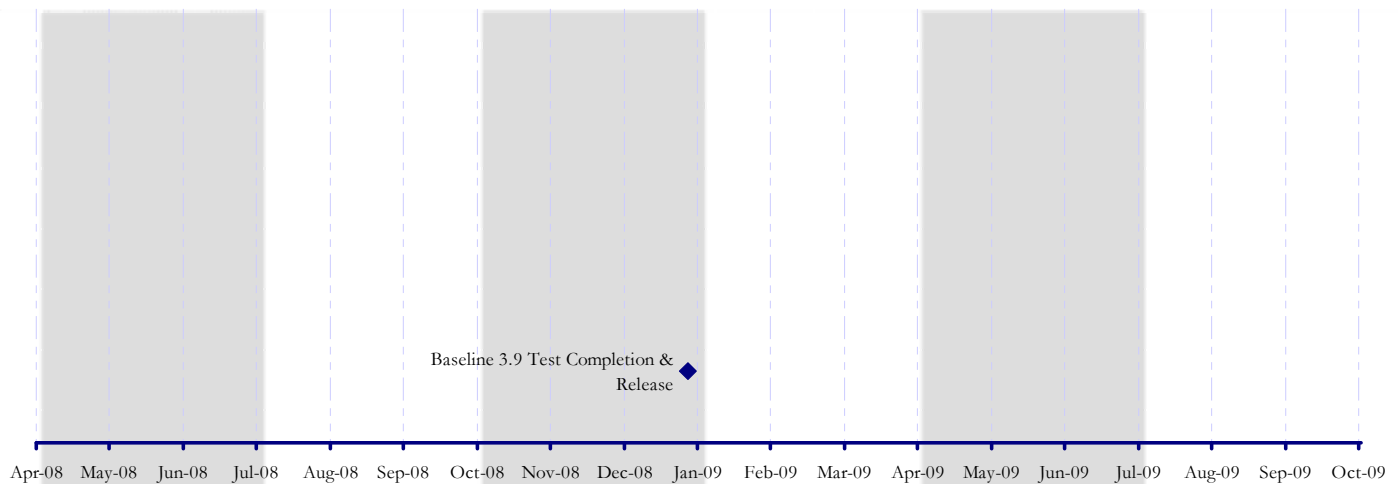
Approach

JEDMICS follows the evolutionary acquisition spiral development concept to implement system requirements resulting from technology maturity, Service infrastructure changes and emerging data formats. The JEDMICS program provides annual Baseline Releases to address these spiral requirements, to manage COTS obsolescence and to mitigate Information Assurance (IA) vulnerabilities while assuring interoperability, availability and performance.

Benefits

JEDMICS will enable rapid digital access and retrieval of engineering drawings and associated technical data to collectively support the warfighter. Reduce the time and cost to obtain accurate digital engineering data; reduce lead times; increase competition; and enable transformation of processes that utilize the data. Data within JEDMICS is interoperable throughout the DoD community.

Timeline Diagram

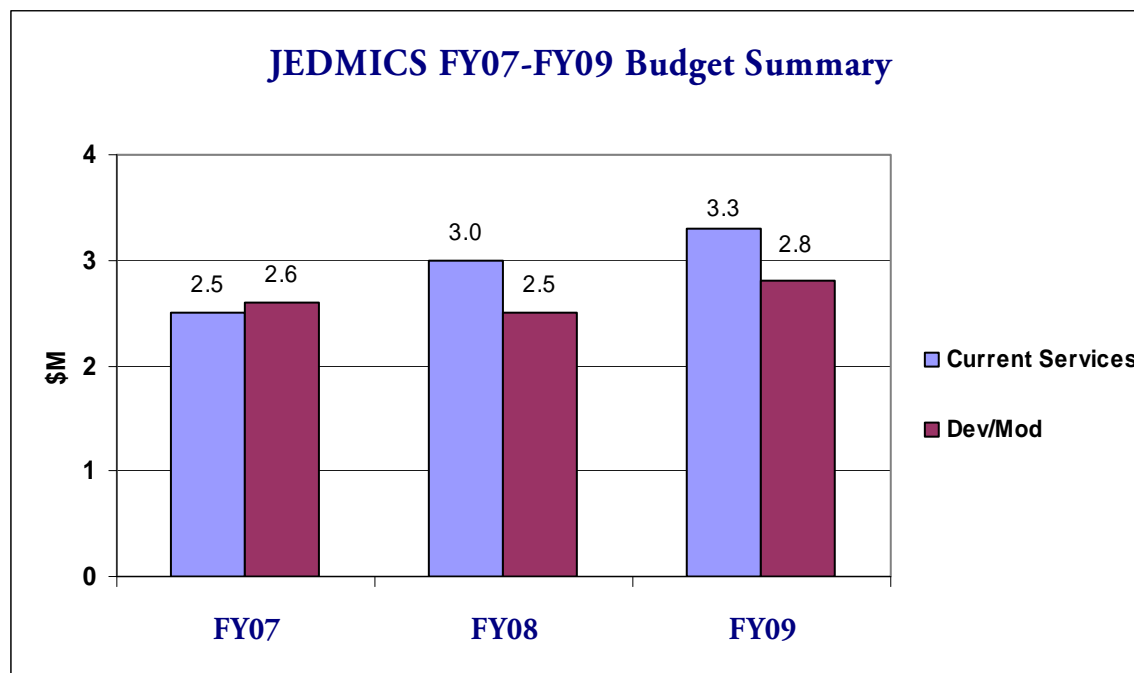


No Legacy Systems Identified



Joint Engineering Data Management Information and Control System (JEDMICS)

JEDMICS FY07-FY09 Budget Summary and Details



Budget controls ensure a minimum Dev/Mod funding capability to provide Annual Baseline Releases to address Information Assurance, Enterprise COTS and Emerging Data Formats.

Near-Term Plans:

- Release 3.9, incorporating changes required to support Internet Protocol Version 6 (IPv6) and COTS software upgrades in Q1 FY09.
- Release 3.10, incorporating changes within the Service Enterprises required to support Internet Protocol Version 6 (IPv6) and COTS software upgrades in Q1 FY10.



Military Sealift Command Human Resources Management System (MSC-HRMS) (Supports Priorities 2 and 4)

Description

In order for MSC to successfully carry out its mission in an ever-changing environment, MSC needs a robust resource management and staffing system to quickly and efficiently place Civilian Mariners (CIVMARS) who work and sail on the U.S. Government-owned MSC ships.

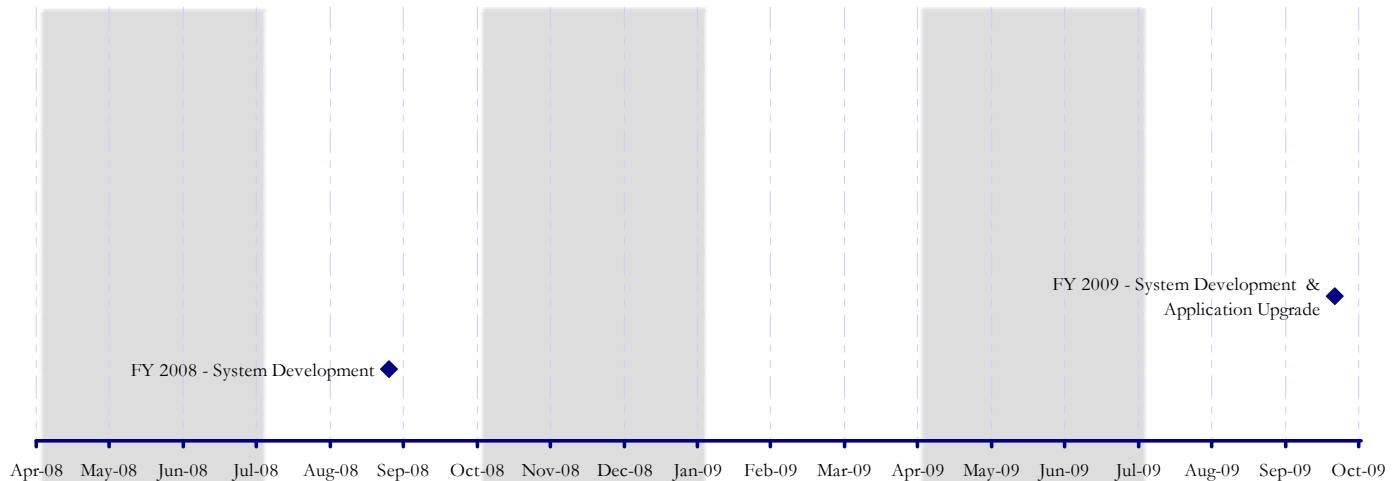
Approach

MSC-HRMS follows the evolutionary acquisition spiral development concept to implement system requirements resulting from technology maturity to support Federal Information Security Management Act (FISMA) requirements and DON Application and Database Management System (DADMS) version compliance, as well as emerging data formats. The MSC-HRMS program provides bi-annual tech-refresh for software and tri-annual development support for tech refresh for hardware.

Benefits

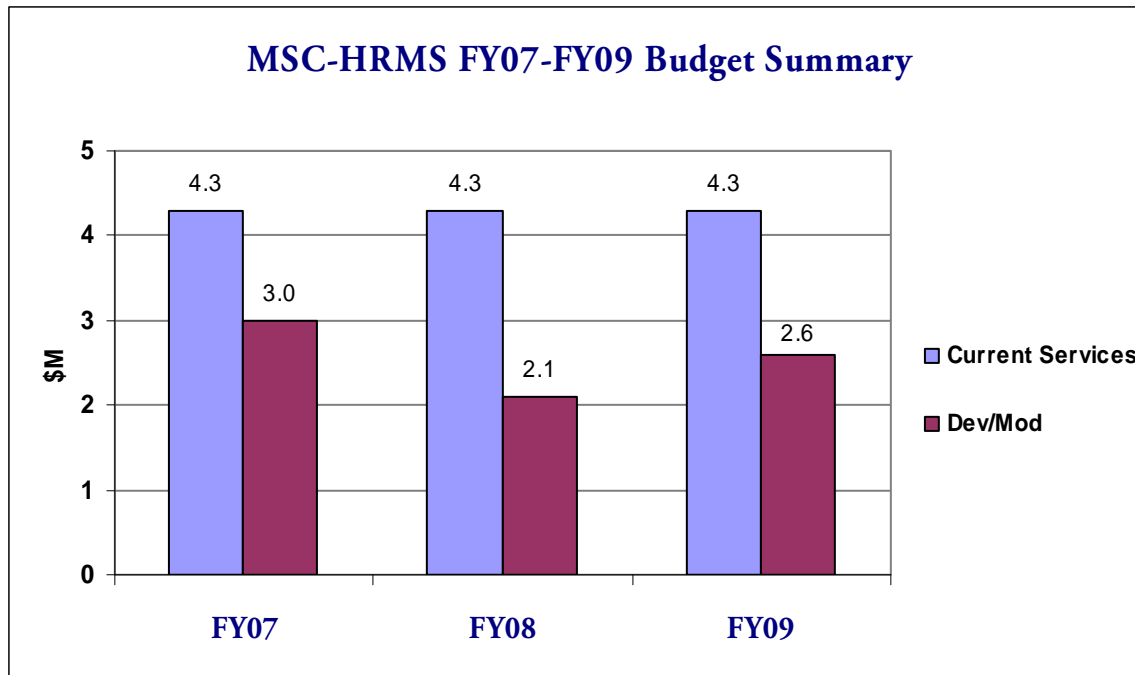
Allow crewing ships with trained mariners to increase service level; increase asset utilization; decrease cycle time; decrease cost; and increase alignment with the warfighter.

Timeline Diagram



No Legacy Systems Identified



Military Sealift Command Human Resources Management System (MSC-HRMS)**MSC-HRMS FY07-FY09 Budget Summary and Details****Accomplishments/Capabilities Delivered:**

- Completed FY08 System Development in Q4 FY08.

Near-Term Plans:

- Complete System Development Increment to support deployment of HRMS Phase I and Phase II Datamart in Q4 FY09.



Navy Enterprise Resource Planning (Navy ERP) (Supports Priorities 1, 2, 3 and 4)**Description**

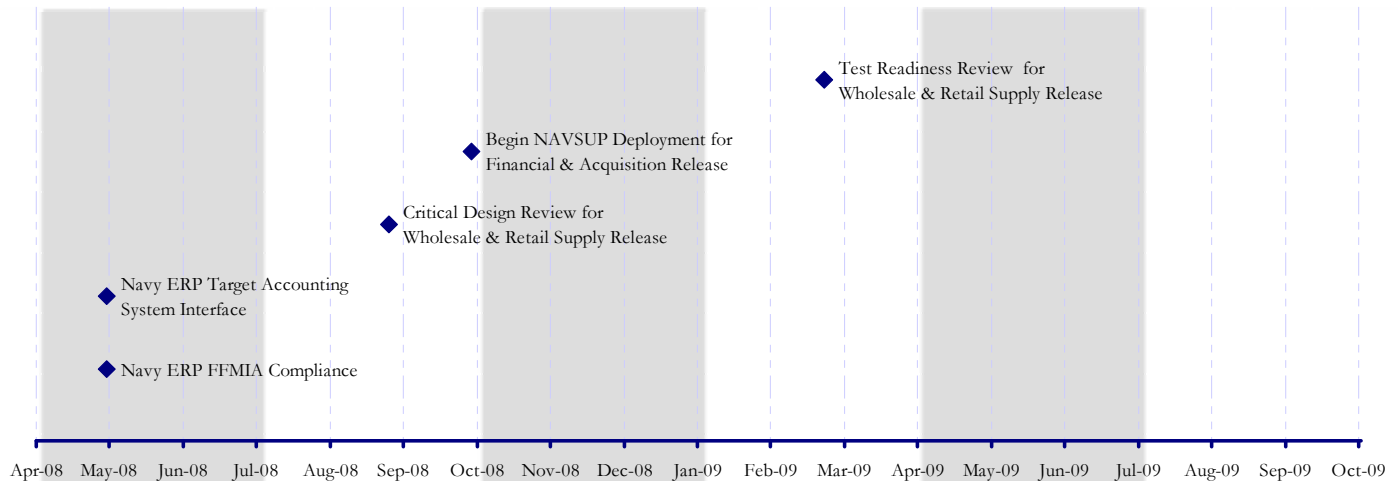
The Navy ERP program will transform business activities into an integrated network of decision-making processes and activities. Navy ERP will be a major component of the Navy's Global Combat Support System (GCSS) family of systems and provide a critical link between operating forces and the Navy's support echelons. The program will reduce the overall Navy costs by applying proven industry best practices and processes and replacing legacy IT systems; facilitating an end-to-end solution for receiving requests for resources and processing them to fulfillment; replacing stove-piped systems used for financial management, inventory management and industrial operations with an integrated system; and enabling rapid response to operating forces logistic needs through integrated visibility and status data.

Approach

Navy ERP will provide standard tools to Navy organizations to facilitate business process reengineering and provide interoperable data for financial, acquisition, logistics, fleet maintenance, supply and material management.

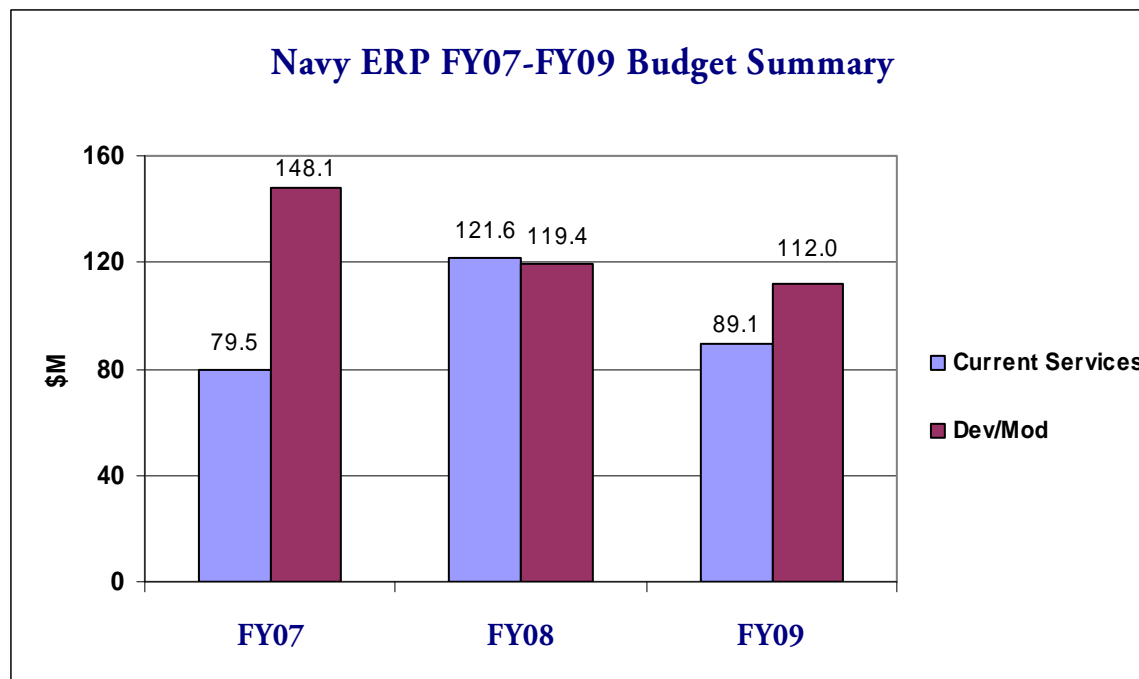
Benefits

Navy ERP reduces overall Navy costs by applying proven industry best practices and processes and replacing legacy IT systems; providing an end-to-end solution for receiving resource requests and processing them to fulfillment; providing allocation, visibility, tracking and reporting functionality; and has the ability to perform funds execution from distribution through disbursement.

Timeline Diagram

Legacy System	Term Date	Legacy System	Term Date	Legacy System	Term Date	Legacy System	Term Date
1 System	Mar-07	1 System	Jan-09	5 Systems	Sep-11	3 Systems	Sep-13
1 System	Sep-07	2 Systems	Sep-09	2 Systems	Oct-11	1 System	Oct-13
1 System	Oct-07	2 Systems	Oct-09	1 System	Jan-12	2 Systems	Sep-14
1 System	Jan-08	1 System	Dec-09	1 System	Apr-12	2 Systems	Oct-14
1 System	Mar-08	1 System	Jun-10	2 Systems	Sep-12	1 System	Jan-15
1 System	Jun-08	6 Systems	Sep-10	1 System	Oct-12	1 System	Sep-15
3 Systems	Sep-08	1 System	Oct-10	2 Systems	Apr-13	5 Systems	TBD



Navy Enterprise Resource Planning (Navy ERP)**Navy ERP FY07-FY09 Budget Summary and Details**

For FY09 Navy ERP plans to continue deployment of the Financial and Acquisition Release (1.0) to the Naval Supply Systems Command, as well as continue the development and testing of the Wholesale and Retail Supply Release (1.1). The level of funding, particularly the Dev/Mod funding, is sufficient to achieve the program's near-term plans.

Accomplishments/Capabilities Delivered:

- Achieved IOC on May 12, 2008.

Near-Term Plans:

- “Go Live” and begin deployment of Financial and Acquisition Release (1.0) at NAVSUP headquarters in Q1 FY09.
- Begin Wholesale and Retail Supply Release (1.1) Test Readiness Review in Q2 FY09.
- Begin SPAWAR deployment for Financial and Acquisition Release (1.0) in Q1 FY10.
- Begin Wholesale and Retail Supply Release (1.1) deployment for the NAVICP in Q2 FY10.



One Supply (Supports Priorities 2 and 4)**Description**

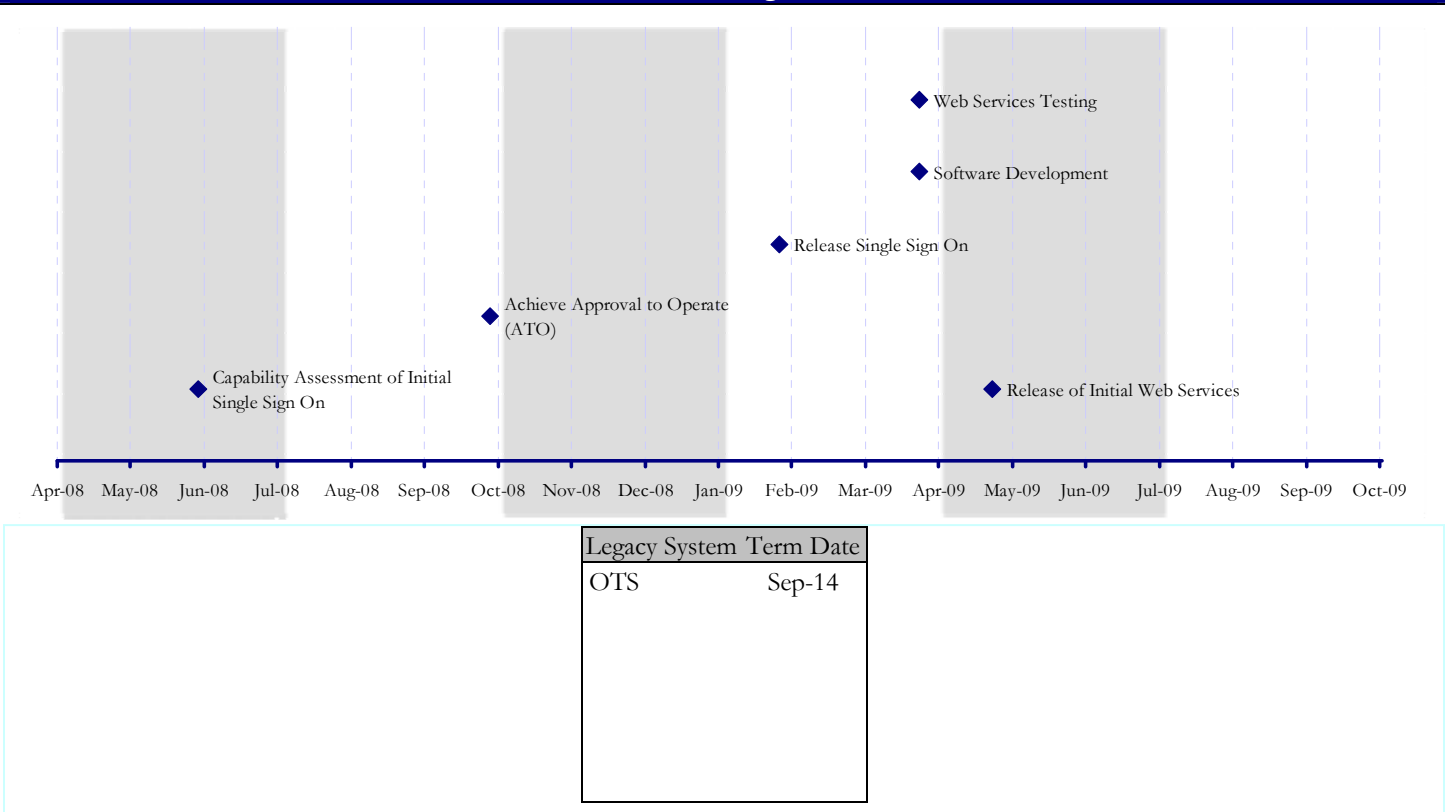
One Supply is the Navy fleet support concept and operation to enable Distance Support and promoter leaner, fleet-focused IT budgets ashore. One Supply's objective includes an infrastructure to support a web portal environment, single sign-on, integration broker and web service capabilities. This infrastructure includes maintenance and administration of the single sign-on and service oriented architecture software as well as supporting these capabilities at NAHI. One Supply will discontinue Birdtrack's metrics functionalities to provide a streamlined web interface to enable access to functionalities only accessible by many separate tools and applications.

Approach

One Supply will include disparate data collection, its predecessor Birdtrack functions, afloat asset visibility and web query functions inherited from Force Inventory Management Analysis and Reporting System (FIMARS), expediting capabilities now found in Integrated Supply Information System (ISIS), new afloat data capture and web-based record-keeping features enabling Distance Support ashore for food, retail commodities and for hazardous material management, connectivity to an Enterprise Data Warehouse (EDW) and several additional Fleet and Enterprise functional requirements not in scope for Navy ERP.

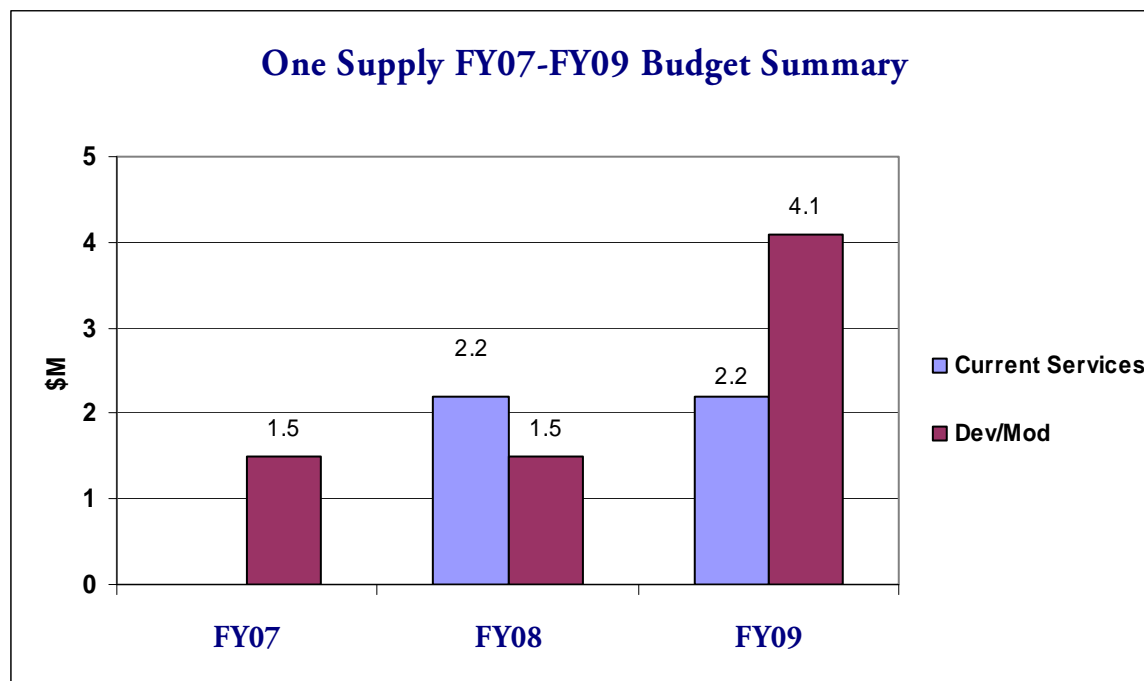
Benefits

Functional consolidation via internal consolidation and Web-communication architecture. Sustainment reduction due to functional consolidation. Distance Support for food, retail and hazmat. Connectivity to Enterprise Data Warehouse. Streamlined web infrastructure eliminating duplicative sign-ons, point-to-point data transfer and to reduce functional infrastructure.

Timeline Diagram

One Supply

One Supply FY07-FY09 Budget Summary and Details



No Current Services funding budgeted for FY07.

Accomplishments/Capabilities Delivered:

- Completed Capability Assessment of Initial Single Sign On in Q3 FY08.

Near-Term Plans:

- Achieve Approval to Operate (ATO) in Q4 FY08.
- Complete One Supply Software Development in Q2 FY09.
- Complete Web Services Testing in Q2 FY09.
- Release Single Sign On in Q2 FY09.
- Release of Initial Web Services in Q3 FY09.

Total Force Administration System/Manpower Operations Systems (TFAS/MOS) (Supports Priorities 2 and 4)**Description**

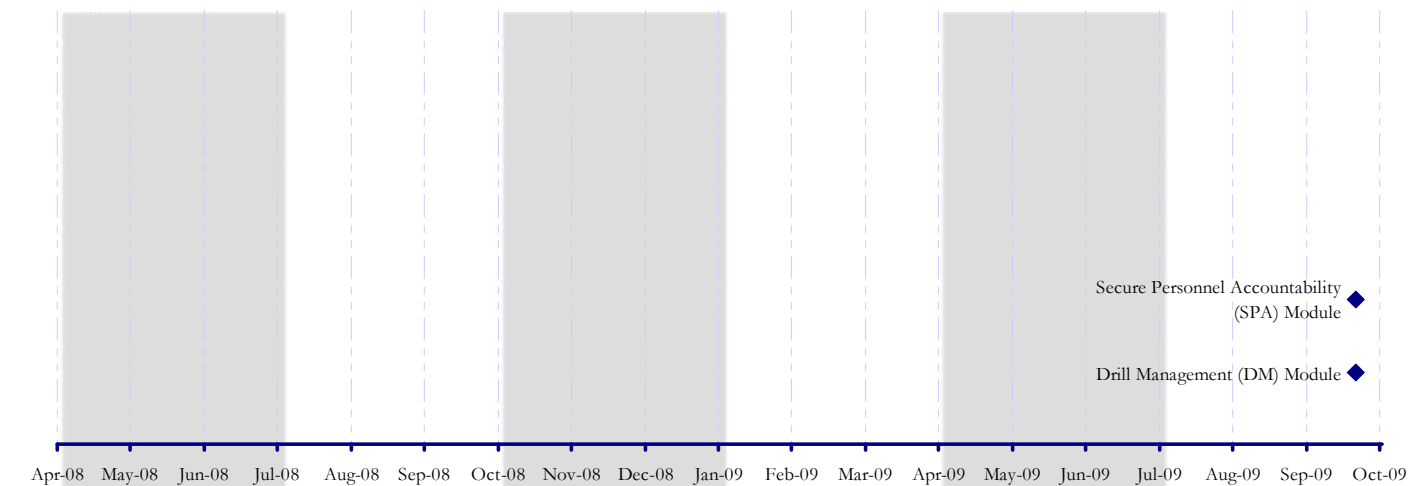
Allows Marines and leaders to view and update personnel data and conduct HR transactions online. This environment greatly reduces the administrative overhead associated with labor-intensive, paper-based processes.

Approach

Develop and sustain an enterprise-wide initiative moving Marine Corps HR processes to a web-based environment. On-going process improvement efforts will optimize legacy systems functionality and data relationships.

Benefits

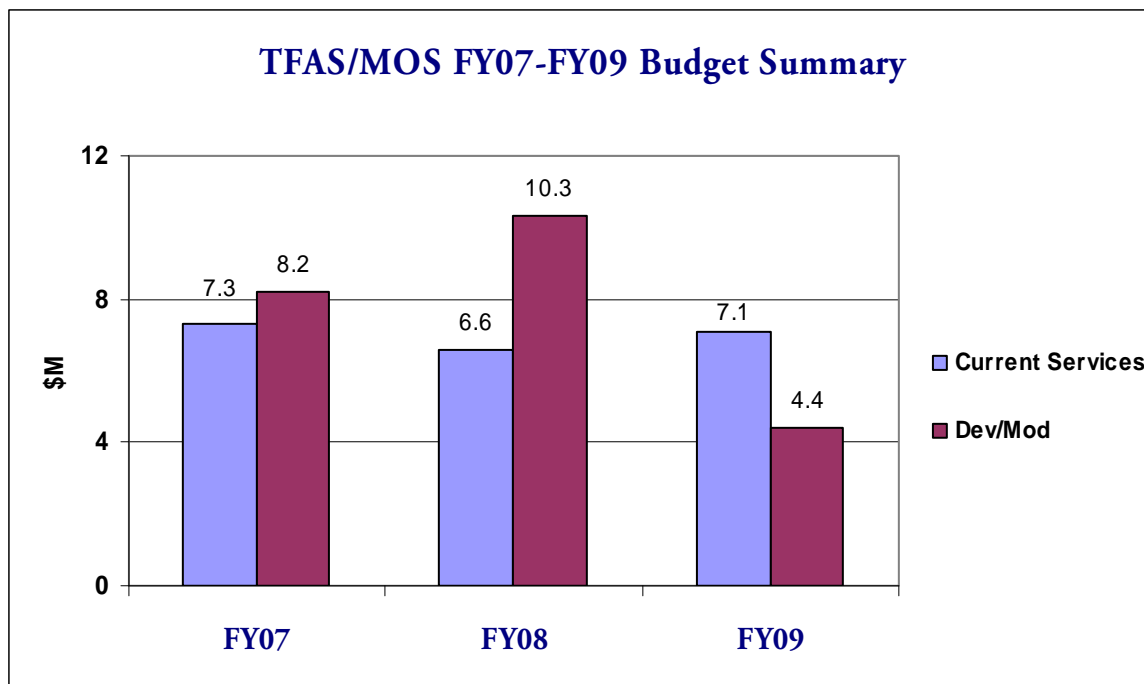
- Replaces manual HR data administration processes with a self-service, paperless, web-based environment;
- Enables individuals and leaders to view and update personnel data and conduct HR transactions via Marine Online or Manpower Information Portal; and
- Leverages emerging technology to reduce the impact felt from the realignment of administrative structure to the warfighter.

Timeline Diagram

Legacy System Term Date

ROWS Dec-11



Total Force Administration System/Manpower Operations Systems (TFAS/MOS)**TFAS/MOS FY07-FY09 Budget Summary and Details****Accomplishments/Capabilities Delivered:**

- Completed IPAC Case Management Phase I Enhanced Capabilities in Q2 FY08.
 - Unit Management Status Report (UMSR) Enhancements
 - Promotion Recommendation (PromRec) Rewrite
 - Organizational Management (Org Mgmt) Enhancements

Near-Term Plans:

- Provide Marine Corps an on-line means for viewing their TFAS OMPF in Q1 FY09.
- Provide Marine Corps Reservists an automated means for issuing orders using the TFAS Marine Reserve Order Writing System Web-enabled (MROWS-W) Module in Q1 FY09.
- Deploy TFAS Drill Management (DM) Module enabling community scheduling and accounting drill periods in Q4 FY09.
- Deploy TFAS Secure Personnel Accountability (SPA) Module to deployed accountability Marine Corps personnel in Q4 FY09.



Total Force Structure Management System (TFSMS) (Supports Priorities 2 and 4)**Description**

TFSMS is a Marine Corps enterprise system integrating capability development processes to support the Warfighter in terms of structure and equipment. TFSMS enhances mirroring capabilities; automates compensation capabilities/billet reconciliation; automates large reorganization movement of Marine Corps force structure data; and develops the Marine Corps Global Force Management Organizational Server.

Approach

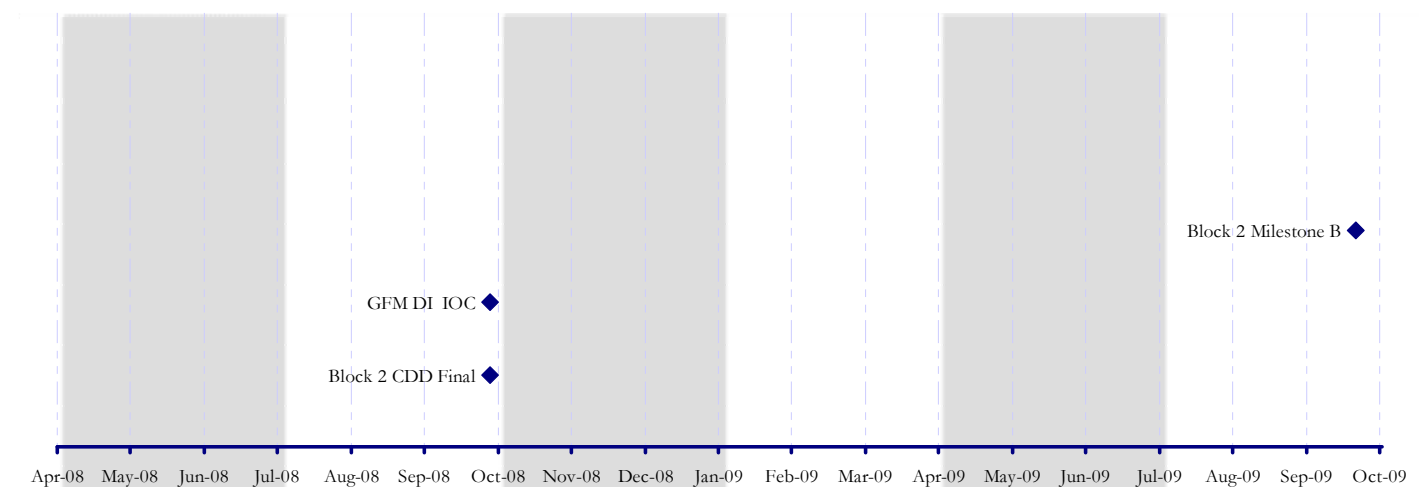
TFSMS identifies Marine Corps capability by defining force structure and warfighting equipment requirements through the Future Years Defense Program and forms the basis of all Marine Corps planning for organization, staffing, recruiting, equipment, procurement, fielding, training and logistics. TFSMS is the Marine Corps' authoritative source for Table of Organization and Equipment data and the key enabler in the Joint Staff-led Global Force Data Initiative for global force visibility.

Benefits

Adds new functionality and capability to eliminate manual efforts associated with restructuring the Marine Corps force structure (organization and equipment) data and ensuring changes comply with Marine Corps business rules;

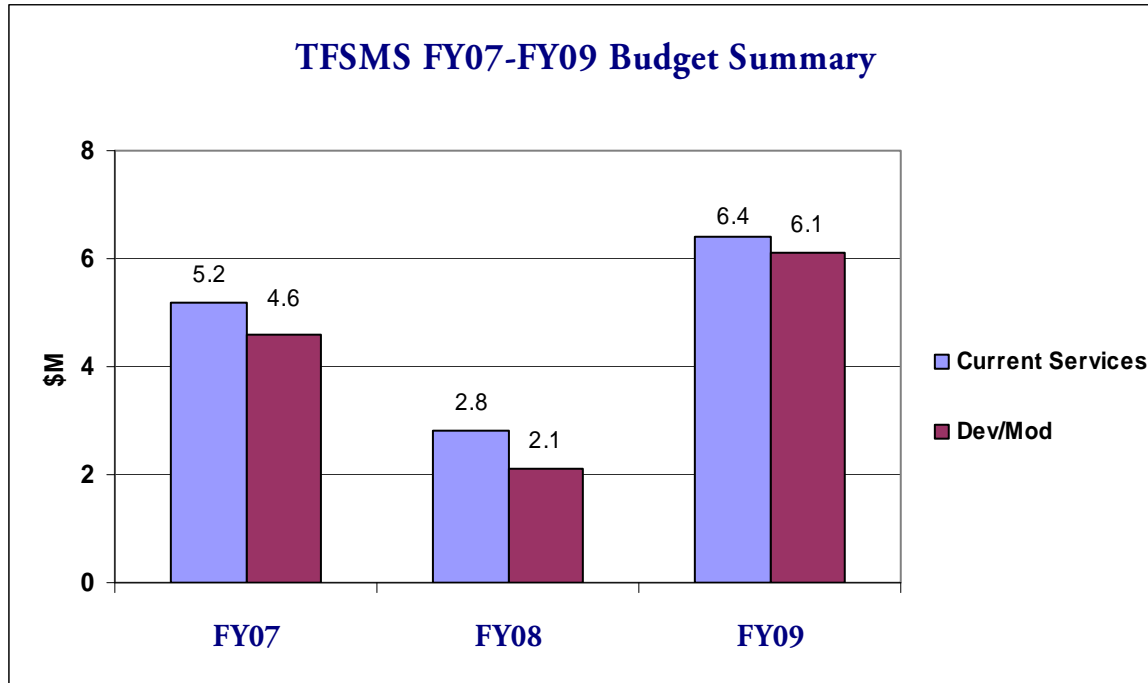
Addresses the DoD requirements for Marine Corps to provide an Organizational Server as part of the overall Global Force Management Initiative; and

Enhances current TFSMS capability and design in the manner required to accommodate how the Marine Corps actually does business.

Timeline Diagram

No Legacy Systems Identified



Total Force Structure Management System (TFSMS)**TFSMS FY07-FY09 Budget Summary and Details****Accomplishments/Capabilities Delivered:**

- Completed TFSMS Fleet Rollout in Q2 FY08.
- Received Signed TFSMS Block Capability Production Document (CPD) in Q3 FY08.

Near-Term Plans:

- Achieve IOC for Task 1 of the TFSMS Global Force Management (GFM) Data Initiative (DI) module supporting Joint Staff Global Force Data Initiative in Q4 FY08.
- Complete TFSMS Block 2 Capability Development Document (CDD) supporting Operating Force's (OPFOR's) lifecycle sustainment and migration to programs of record Q4 FY08.
- Complete development and testing for TFSMS v2.4 by November 2008.
- Achieve TFSMS Block 2 Milestone B supporting Approved Acquisition Objective process integration and Combat Development System in Q4 FY09.



Total Force Structure Management System (TFSMS)

TFSMS Marine Corps Users Added

Table 6-1: Marine Corps Users

	2007	2008
New Basic Users added*	2704	1582
New Super Users added**	603	1016

* Computer Based Training (CBT) (modularized and self-paced)—not mandatory but recommended, no annual training objective

** Instructor Led Training (CBT scheduled for FY10)—mandatory prerequisite, annual training objective is 500

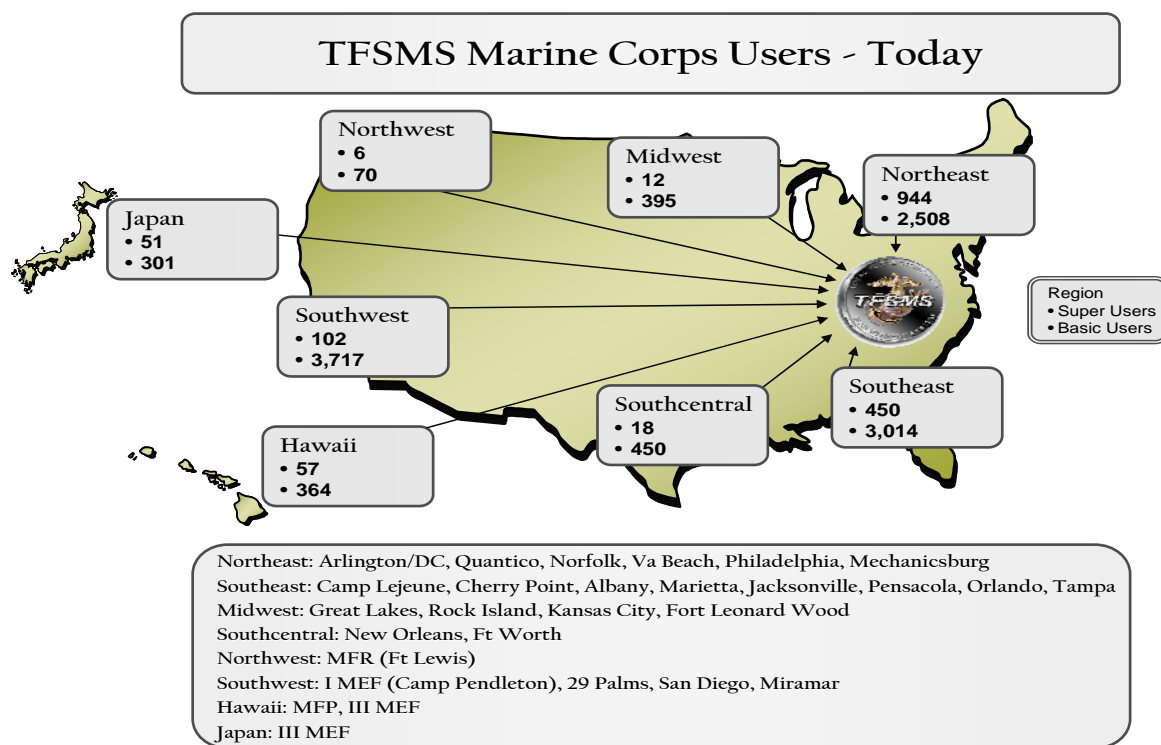


Figure 6-5: TFSMS Marine Corps Users-Today

As the Marine Corps enterprise-wide system for force structure management, TFSMS spans the Marine Corps to convert strategic guidance, policy and Commander generated recommendations into the integrated capabilities (personnel, equipment and training) required to execute mission essential tasks. TFSMS is also the Marine Corps' authoritative source for Tables of Organization and Equipment (TO&Es). The population and availability of TFSMS Users throughout the Marine Corps is tracked to ensure the ability to query, view, analyze and report Marine Corps TO&E data.

Navy Cash™ (Supports Priority 3)**Description**

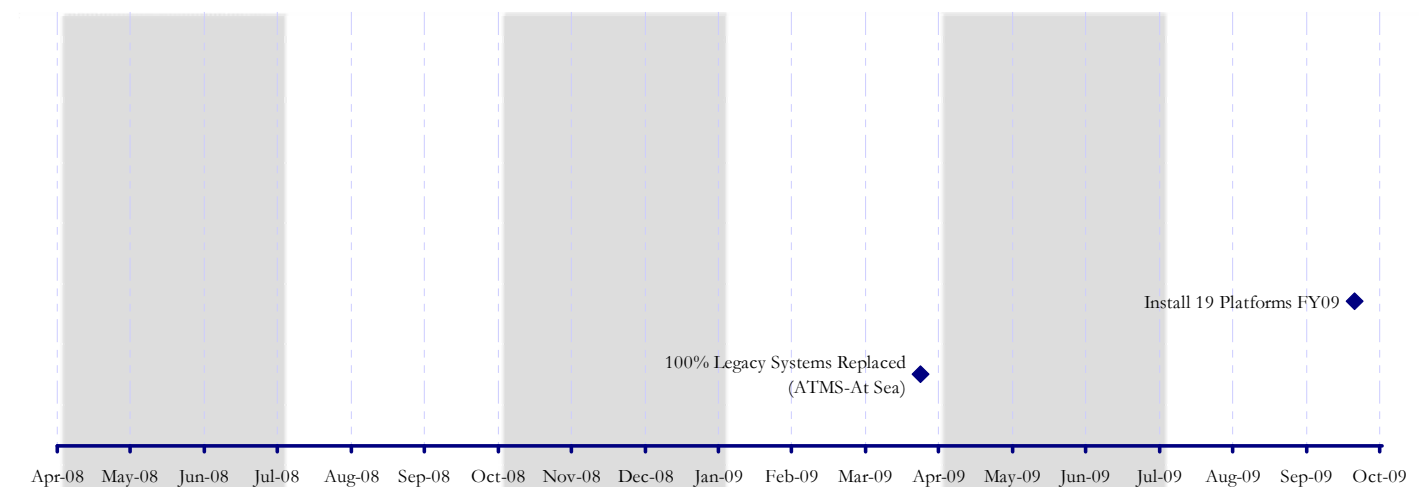
The NAVSUP Mission is to provide Navy, Marine Corps, Joint and Allied Forces quality supplies and services on a timely basis. Goal 3 of this mission is to demand and achieve the highest standards of Quality of Service. This goal has a strategy of reducing the workload on Sailors and Marines, supported by an objective to refine disbursing procedures for improved accuracy and timeliness of pay actions. Under Navy Cash™, Sailors and Marines aboard ship receive a branded debit card that looks like a typical debit card. However, the Navy/Marine Cash card atypically combines a chip-based electronic purse with the traditional magnetic stripe. The electronic purse replaces currency for purchases on board ship. The magnetic stripe and branded debit feature afford access to funds in Navy Cash™ accounts at 32 million locations and over one million Automated Teller Machines (ATMs) in over 120 countries. By providing electronic access to all pay and allowances, Navy Cash™ has improved the traditional financial services available on board ship. Sailors and Marines who elect the Split Pay Option have a portion of their pay sent directly to their Navy Cash™ accounts each payday. Cashless ATMs on board ship provide 24-hour-a-day, seven-day-a-week access to these Navy Cash™ accounts. The Cashless ATMs also provide 24/7 offline access to bank or credit union accounts ashore and the ability to move money electronically to and from Navy Cash™ accounts and bank and credit union accounts. Reducing the requirement for onboard cash and financial services has enabled the reduction of disbursing personnel afloat.

Approach

Install Navy Cash™ aboard Navy ships during repair/refit availabilities through 2015.

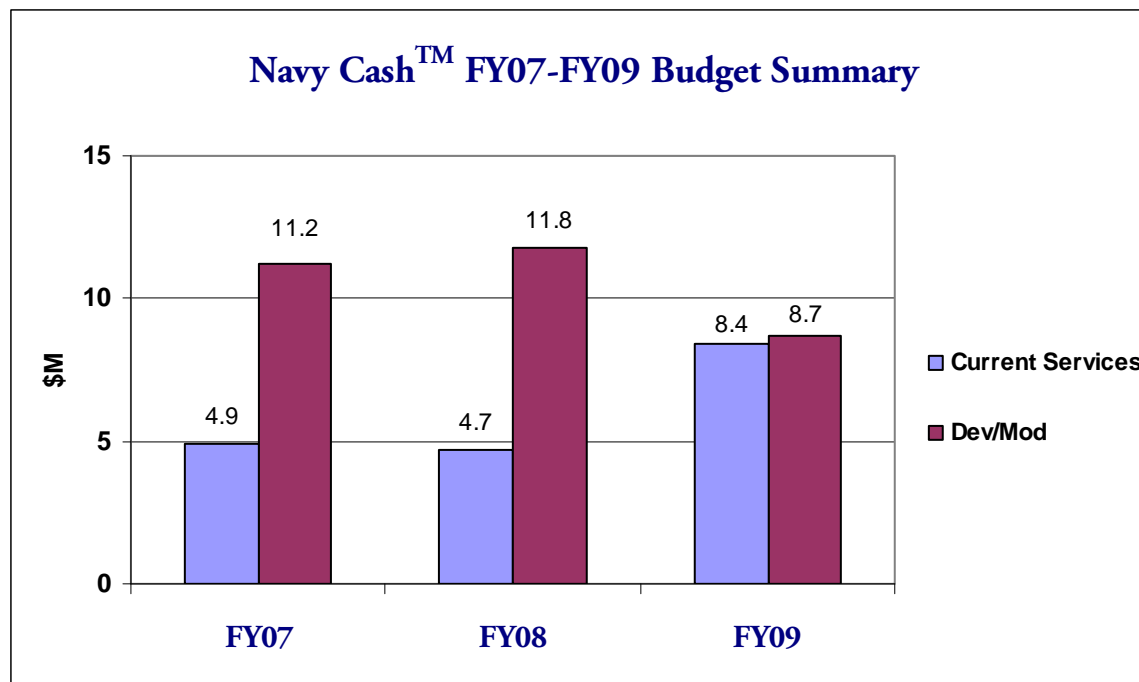
Benefits

Improves Sailor/Marine quality-of-life by providing an efficient and secure means for delivering automated pay and safekeeping personal funds on board Navy ships. Reduces onboard manpower required to manage cash. Pre-branded debit card functionality, combined with an electronic purse on the card's chip can be used aboard ship at "merchant" locations like the ship's store or vending machines. The cashless ATM aboard ships provide Sailors/Marines with 24/7-offline access to personal financial institution accounts ashore and provides the ability to move money to and from Navy Cash™ accounts and shore financial accounts.

Timeline Diagram

Legacy System	Term Date
ATMS-AT-SEA	Jan-08



Navy Cash™**Navy Cash™ FY07-FY09 Budget Summary and Details**

Dev/Mod funding continues for New Construction Platforms through FY15. Tech Refresh efforts get underway for Navy Cash™ in FY10.

Near-Term Plans:

- Achieve Navy Cash™ FOC supporting replacement of 100% ATMs-At-Sea in Q2 FY09.

Fully Implemented Program

Marine Corps Financial Improvement Initiative (MC FII) (Supports Priority 3)	
Description	
MC FII provides accurate, timely, relevant financial information supported and validated by strong financial statements sustained by a strong business enterprise that supports Marine Corps leadership.	
Approach	
Begin by identifying and implementing business process solutions and determining inventory values. Then, perform validations, assessments and internal audits	
Benefits	
The MC FII will establish consistent and sustainable business processes, enabling accurate, timely and relevant financial reporting to Marine Corps leadership and external agencies.	
Accomplishments/Capabilities Delivered	Budget
<ul style="list-style-type: none"> Completed Discovery and Correction FOC in Q4 FY08. Audits - Completed Validations, Assessments & Audits in Q4 FY08. 	This initiative does not meet the criteria for inclusion in the IT Budget, therefore it is not reported in DITPR and SNaP-IT.



DON

The Department of the Navy's (DON's) business transformation vision is to significantly increase the readiness, effectiveness and availability of warfighting forces by employing business process change to create more effective operations at reduced costs and by exploiting process improvements, technology enhancements and an effective human capital strategy to assure continued mission superiority.

In these times of fiscal constraint, the DON is challenged to make necessary investments in future capabilities while sustaining current warfighting effectiveness. As part of a strategy to achieve these competing ends, the DON has adopted business transformation policy designed to:

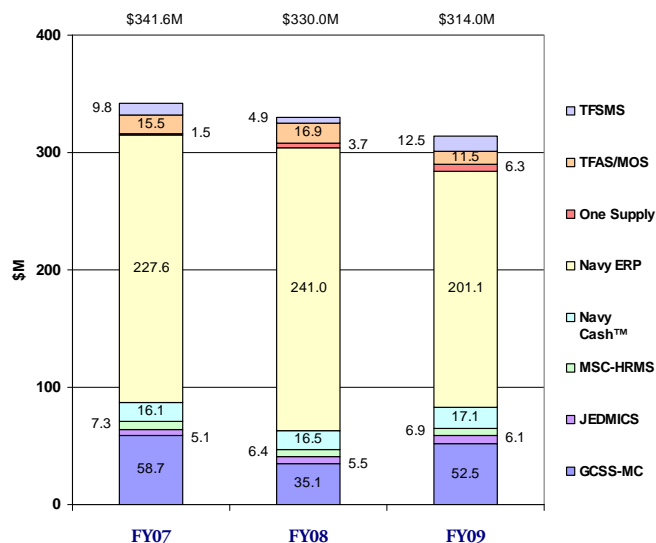
- Employ business process change to create more effective operations at reduced costs.
- Exploit process improvements, technology enhancements and an effective human capital strategy to ensure continued mission superiority.

The Navy's business transformation concept, Navy Enterprise, is an initiative to improve organizational alignment, refine requirements, harvest efficiencies and reinvest savings in targeted areas to improve warfighting effectiveness. Navy Enterprise is applying process-mapping techniques and other lessons learned from the worldwide business revolution to assess Navy organizations, target areas for improvement, prioritize investments and fund them accordingly.

The Marine Corps' warfighting readiness is likewise a reflection of its success in balancing support of current operations with the imperative to invest and prepare for the future. In the Marine Corps, "business reform" means the fundamental transformation of Marine Corps business enterprise processes to create increased effectiveness, efficiency and resilience and to facilitate and encourage innovation. These improvements will be accomplished by changing the business enterprise culture.

Priorities

- Establish and Manage a Secure, Interoperable Net-Centric Naval Information Management/Information Technology (IM/IT) Infrastructure
- Create Optimized Processes and Integrated Systems
- Optimize Investments for Mission Accomplishment
- Transform Applications and Data into Web-based Capabilities to Improve Effectiveness and Gain Efficiencies
- Align Business Mission Area Governance

FY07-FY09 Budget Summary

MC FII—This initiative does not meet the criteria for inclusion in the IT Budget, therefore is not reported in DITPR and SNaP-IT.

Navy ERP—Budget numbers presented include the budgets for the Navy ERP pilot programs.

Systems & Initiatives**Transformational**

Global Combat Support System Marine Corps (GCSS-MC)

Joint Engineering Data Management Information and Control System (JEDMICS)

Military Sealift Command Human Resources Management System (MSC-HRMS)

Navy Cash™

Navy Enterprise Resource Planning (Navy ERP)

One Supply

Total Force Administration System (TFAS/MOS)

Total Force Structure Management System (TFSMS)

Fully Implemented

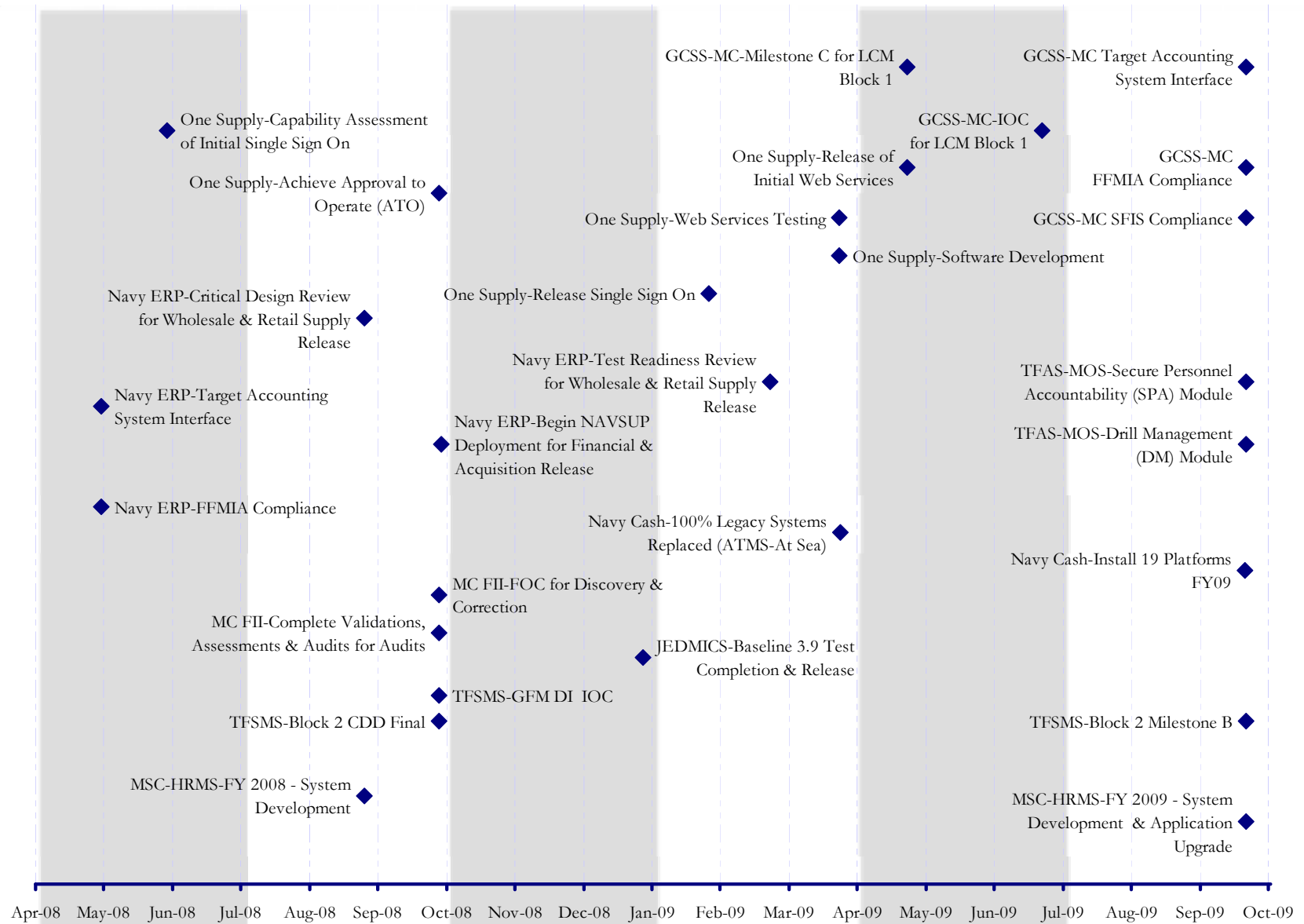
Marine Corps Financial Improvement Initiative (MC FII)

Changes since the March 2008 Congressional Report

The Marine Corps Financial Improvement Initiative (MC FII) achieved FOC. MC FII provides accurate, timely, relevant financial information supported and validated by strong financial statements. MC FII's improved financial processes, efficiency, visibility and transparency support the warfighter and lead the way toward improved financial statements and a sustained financial audit.



Navy Milestone Summary



Case in Point: USNS Lewis and Clark Exceeds Underway Replenishment Expectations

The Lewis and Clark-class T-AKE is a new Combat Logistics Force (CLF) underway replenishment vessel. The T-AKE ships are required to replace the Kilauea T-AE 26 ammunition ships and Mars Class T-AFS combat stores ships, which are approaching the end of their operational lives.

Designed to operate independently from Modular Cargo Delivery System (MCDS) equipped merchant ships for extended periods, Lewis and Clark class ships promote interoperability by providing seamless interface with existing and planned U.S. ships. The T-AKE ships' improved cargo handling equipment increases efficiency and cost-effectiveness over previous designs. In its primary mission role, the T-AKE provides logistic lift to deliver cargo (ammunition, food, limited quantities of fuel, repair parts, ship store items and expendable supplies and material) to U.S. and allied Navy ships at sea. The T-AKE's flexibility will contribute greatly to the Navy's ability to maintain a U.S. forward presence at sea.

During a recent logistics mission, the crew of the United States Navy Ship (USNS) Lewis and Clark received high praise from Commander, Task Force Five Three (CTR 53) when their ship exceeded mission expectations by safely and efficiently conducting 73 underway replenishments and 28 in-port replenishments; transferring over 12.2 million gallons of F76 fuel and 709,000 gallons of F44 fuel in support of Operation Iraqi Freedom, Operation Enduring Freedom, the Global War on Terror and Maritime Interdiction Operations.

The primary goal of the T-AKE program is to provide effective fleet underway replenishment capability at the lowest possible life cycle cost. To meet that goal, the ship is being built to commercial specifications and standards and will be certified/classed by the American Bureau of Shipping, the United States Coast Guard and other regulatory bodies. The ships will be operated by the Military Sealift Command (MSC) with civilian mariner crews (123 personnel) augmented by military departments (49 personnel).

The T-AKE program employed a two-phase acquisition process. Phase I consisted of multiple competitively awarded contracts to conduct ship/cargo systems integration design studies. The intent of these contracts was to develop innovative integrated ship concepts with life cycle cost improvements by encouraging traditional builders of Navy ships to involve materials handling firms in system development. Phase II contracted for detail design and construction of up to 14 T-AKES. USNS Lewis and Clark was delivered to MSC in June 2006. USNS Sacagawea, Alan Shepard and Richard E. Byrd were delivered in 2007. USNS Robert E. Peary was delivered in June 2008 and the remaining ships will follow over the next several years.



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Chapter 7: Department of the Air Force

Department of the Air Force Mission and Vision

The mission of the Air Force is to deliver sovereign options for the defense of the United States of America and its global interests—to fly and fight in Air, Space and Cyberspace. Complex and unpredictable global threats emerge every day and the Air Force is postured to provide options for the defense of the nation by sustaining an agile, adaptable, persistent, lethal and surge-ready air, space and cyberspace force. Our persistent Command, Control, Communications, Computers, Intelligence, Surveillance and Reconnaissance (C4ISR), global mobility and rapid strike capabilities are critical to all joint operations. Our combat capability and peacetime efficiency will increase as we integrate our Active Duty, Air National Guard and Air Force Reserve Components into a Total Force. By focusing on our main priorities—win today’s fight, take care of our people, prepare for tomorrow’s challenges—we are prepared to face the challenges of today and the uncertainties of tomorrow.

The Department of the Air Force Vision is “Lasting Heritage to Limitless Horizons ... Our Airmen, Our Air Force.” The actions of our past Airmen and our lasting heritage show that Airmen have always been warfighters, innovators and have had to constantly adapt to new operating environments. The actions of today’s Airmen will take the Air Force to new and limitless horizons. That is our culture of innovation, because the technology utilized can only be as great as the Airmen that harness it.



The Airmen of today draw inspiration from the Air Force’s past and continue to push forward to the future; to deliver sovereign options for the defense of the United States of America and its global interests; and to fly and fight in Air, Space and Cyberspace.

Air Force Business Transformation Vision and Strategy

The Air Force business transformation vision is to create capabilities that provide rapid and predictive operational support and response through situationally-aware Commanders.

The corresponding Air Force business transformation strategy is to:

- Focus operational support on improving joint warfighter effectiveness by integrating high value operational threads across Domains and across combat and combat support functions.
- Set common goals and priorities across the operational support of the Air Force Enterprise.
- Reengineer critical processes, identify and prioritize processes for improvement and redesign them whenever they fall short of the immediate or long-term expectations.
- Move systems into a modern information framework. Leverage existing initiatives of the Air Force and the Office of the Secretary of Defense (OSD), while synchronizing and accelerating them to achieve transformation.
- Harvest resources to complete operational support transformation and support modernization of Air Force and joint capabilities.

Air Force Business Transformation Overview

High-level Air Force Enterprise transformation goals are to:

- Improve warfighter effectiveness by fashioning fast, flexible, agile, horizontally integrated processes and services that enable fast, flexible, agile and lethal combat forces.



- Establish a culture of continuous improvement to achieve increased efficiencies, allowing the return of resources. This would enable the recapitalization of the Air Force weapon systems and infrastructure, the return of Airmen to core missions and the creation of an acquisition process unparalleled in the federal government.

Air Force Priorities Overview

In support of the Air Force transformation goals, the Air Force set eight distinct priorities to drive its transformational process. The first three strive to improve warfighter effectiveness:

- 1) Synchronize the Supply Chain and Installation Management with Operations – Globally.
- 2) Leverage the Power of Information to Transform Global Operations.
- 3) Improve Operational Capabilities through Improved Real-Time Command and Control (C2), Decision Support and Predictive Analysis.

The last five focus on establishing a culture of continuous improvement towards recapitalization, returning of Airmen to core missions and Air Force acquisition:

- 4) Support Our People – Our Most Important Resource.
- 5) Increase Resources Available for Recapitalization.
- 6) Provide accurate, reliable and timely financial information to support decision making and accountability (aimed to support both transformational goals).
- 7) Optimize Enterprise Performance through Transformation and Continuous Improvement across Functional Boundaries.
- 8) Improve Development and Delivery of Capabilities through Disciplined and Credible Processes.

Air Force Program and Initiative to Priorities Mapping

Air Force Information Technology investment systems and initiatives focus on support across the priorities. As such, the capabilities funded and supplied by these investments often provide transformational gains that reflect modernization and improvement in multiple priorities. The following table illustrates just what priorities gain value from the investments outlined within this chapter.

Systems and Initiatives	Priorities							
	1	2	3	4	5	6	7	8
Air Force Financial Improvement Plan (AF FIP)						•		
Air Force Recruiting Information Support System (AFRISS)				•				
Defense Enterprise Accounting and Management System – Air Force (DEAMS – AF)						•		
Enterprise Business Systems (EBS)					•			•
Expeditionary Combat Support System (ECSS)	•					•		•
Enterprise Environmental Safety and Occupational Health Management Information System (EESOH-MIS)	•	•		•		•	•	•
Enhanced Technical Information Management System (ETIMS)	•							
Financial Information Resource System (FIRST)					•	•		
Financial Management Service Delivery Model (FM SDM)				•	•			
NAF Financial Transformation (NAF-T)				•	•	•		
Personnel Service Delivery (PSD)				•	•			
Transformational Activities								
Enterprise Logistics for the 21 st Century (eLog21)	•	•	•	•		•	•	•



Systems and Initiatives	Priorities							
	1	2	3	4	5	6	7	8
Agile Installation Management (AIM)	•	•	•	•		•	•	•
Service-Oriented Architecture (SOA)		•						
Deliberate and Crises Action Planning and Execution Segments (DCAPES)			•					
Logistics Feasibility and Capability (LOGFAC)			•					
My Enlisted Development Plan (MyEDP)				•				
Equal Opportunity (EO) Transformation				•				
Services Transformation				•				
The Total Human Resource Manager's Information Systems (THRMIS)				•				
Air Force Standard Financial Information Structure (SFIS) Enterprise Strategy		•				•		

Air Force Priority #1 and Metrics: Synchronize the Supply Chain and Installation Management with Operations

Synchronization of the Supply Chain and Installation Management with Operations provides more efficient and effective support to the warfighter. Expeditionary Logistics for the 21st Century (eLog21) and Agile Installation Management (AIM) initiative are the high-level strategies.

Transformational Activities

The **Enterprise Logistics for the 21st Century (eLog21)** campaign to transform the Air Force supply chain is supporting the Business Enterprise Priorities of Acquisition Visibility, Common Supplier Engagement, Materiel Visibility and Financial Visibility. eLog21 leverages key Department of Defense (DoD) initiatives and programs, Item Unique Identification (IUID) and Radio Frequency Identification (RFID), Standard Financial Information Structure (SFIS), Wide Area Workflow (WAWF), Real Property Inventory Requirements (RPIR) and conversion to DoD standard data transmission formats (Electronic Data Exchange and Extensible Markup Language). All of these program and initiative descriptions may be found in Chapter 3. The following activities, projects, initiatives and systems are implementing eLog21 business transformation in the structure indicated in the figure below:

- Air Force Global Logistics Support Center (AFGLSC), the new centralized Supply Chain Management (SCM) agency, integrates proven commercial purchasing and SCM processes and real-time collaboration with customers and suppliers with global command and control (C2). It aligns and integrates Air Force policies, processes, people, data and technology to provide a consistent experience for suppliers and DoD stakeholders to ensure reliable and accurate delivery of goods and services to support the warfighter – in other words Common Supplier Engagement. Its total asset visibility (TAV) and common operating picture, based on Air Expeditionary Force (AEF) lessons learned, support full spectrum air and space power projection.
- Systems Lifecycle Integrity Management (SLIM) is optimizing predictive weapon system management by integrating existing programs that improve the reliability, maintainability and availability of weapon systems. These programs include Weapon System Integrity Programs (WSIP), Condition Based Maintenance Plus (CBM+), Reliability Centered Maintenance (RCM)/Maintenance Steering Group (MSG-3), Reliability, Availability and Maintainability (RAM), Military Flight Operation Quality and Assurance (MFOQA), Enterprise View of Aircraft Inspections (EVAI) and the Aircraft Information Program (AIP). SLIM will better integrate SCM with the acquisition community in product support as



new weapon systems come online and supports the DoD Business Enterprise Priority of Materiel Visibility.

- Logistics, Installations, Mission Support – Enterprise View (LIMS-EV) is establishing the authoritative, trusted, reliable and secure view of the Air Force supply chain. This service provides end-to-end visibility of materiel and real property assets in support of the joint warfighting mission, the aim of Materiel Visibility. In the past, each Major Command (MAJCOM) managed from its own set of data and HQ Air Force used the Multi-Echelon Resource and Logistics Information Network (MERLIN) system to create top level views by manually entering individual Major Command data. MERLIN has been retired. Supply chain data queries for Congressional inquiries and strategic analysis that previously took days and weeks are now available in minutes and hours. LIMS-EV complements the USTRANSCOM Common Operating Picture for Distribution and Deployment (COP D2) and provides Materiel Visibility capability.
- Implementation of IUID and RFID: Asset Marking and Tracking (AMT) is implementing asset identification and tracking throughout the AF logistics system, providing full lifecycle asset management. Targeted for this effort are assets with designated properties as identified by IUID guidelines. Asset identification is enabled with application of the DoD standard UII using a 2D Data Matrix bar code, one form of Automatic Identification Technology (AIT). Other AIT, such as active and passive RFID tags, along with 1D and 2D barcodes, will be applied and used to supply asset data to select Automated Information Systems (AIS). This facilitates analysis and decision making in the management of the total Air Force capability.
- Logistics data transformation – SOA and Data Quality: Legacy application architecture hinders the adoption of SFIS, Defense Logistics Management System (DLMS), DLMS X12, Net-Centric Enterprise Services (NCES), Defense Discovery Metadata Specification (DDMS) and RFID data standards and efficient service-oriented architecture (SOA) solutions. Previous work to address these DoD Enterprise requirements resulted in patchwork solutions layered on top of antiquated systems. The resulting costly and brittle connections provide only modest levels of reliability and information quality. ECSS, as a single enterprise solution built with SOA and data quality at its foundation, will eliminate the root causes of these issues and will render the Air Force supply chain processes discoverable for end-to-end DoD Acquisition and Materiel Visibility.



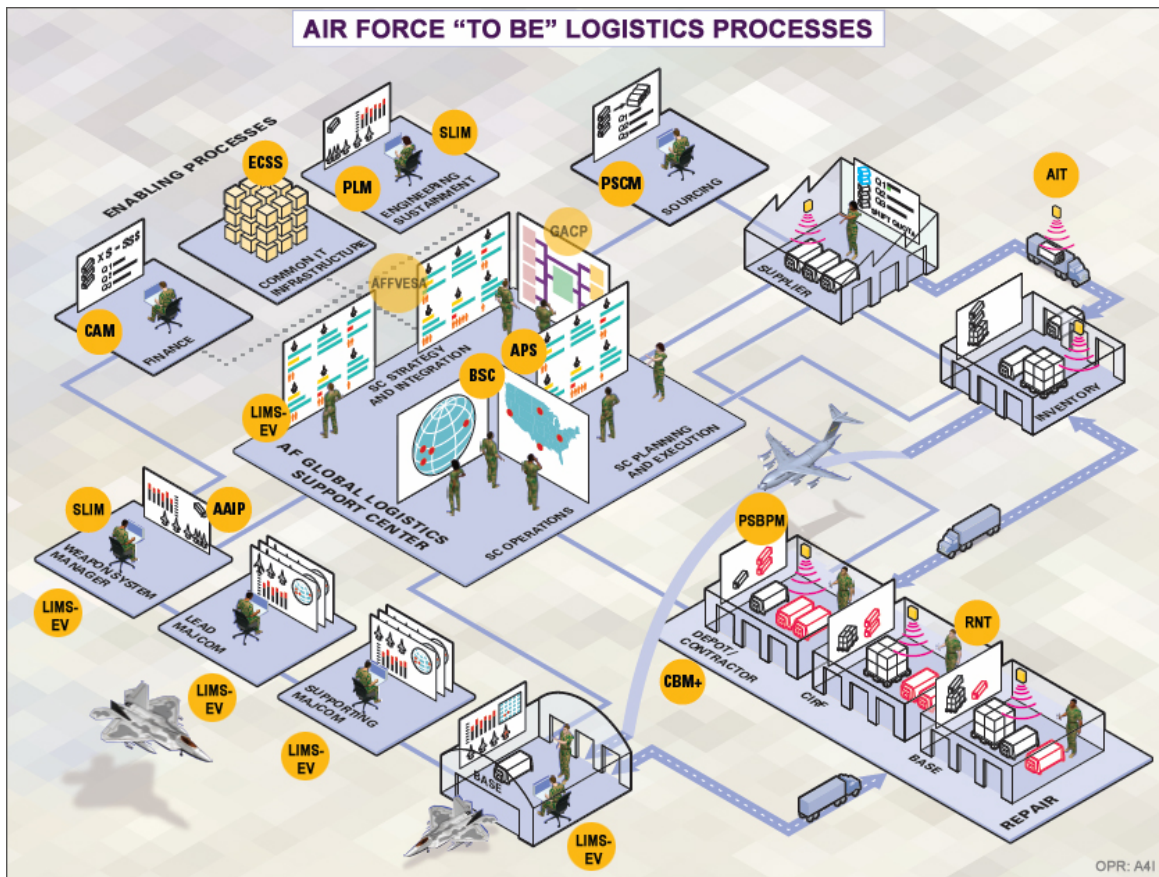


Figure 7-1: Schema of interdependent eLog21 transformational activities

- **Commodity Councils (Purchasing and Supply Chain Management (PSCM)):** Commodity Councils are revolutionary in the Air Force because they replicate successful commercial industry practices. The Councils develop enterprise-wide procurement strategies; integrate customers with suppliers; drive standardization; and leverage the large purchasing volume to improve customer support, purchase cost of items, quality of goods and services and delivery responsiveness.
- **The Centralized Asset Management (CAM) Program** is streamlining and simplifying the requirements determination, resource prioritization, budgeting and execution process for Weapon System sustainment accounts. CAM maximizes COCOM support and addresses real-time changes. CAM manages all Active Duty (3400) requirements for Depot Purchased Equipment Maintenance (DPEM), Contractor Logistics Support (CLS), Sustaining Engineering (SE), Technical Orders (TOs), Support Equipment and Flying Hours (reparable and consumable parts support and fuel) funds. In FY08, the total budgeted funding is \$13.8B (including anticipated Supplementals), which represents approximately one-third of Air Force 3400 Operation and Maintenance (O&M) accounts. Centrally managing programming and execution of funds provides the best mix of support across the Air Force with the funding available to meet AEF commitments (deployed and home station).

The Expeditionary Combat Support System (ECSS) will enable these transformational activities—see ECSS dashboard in the Air Force Program Dashboards section.

Accomplishments/Capabilities Delivered:

- The AFGGLSC was officially activated in March 2008 at Scott AFB, consolidating planning and execution functions from Headquarters Air Force Material Command (HQ AFMC) and the Air Logistics Centers (ALCs).
- Through Q2 FY08 Commodity Councils have realized a cost savings/avoidance of over \$5.5M and a 125 day reduction in overall administrative lead-time.

- Developed a change management plan, created and delivered a SLIM Introductory brief, developed SLIM Community of Practice (CoP) on the Air Force Portal.
- LIMS-EV web service (SOA) was placed in service. It exploits Enterprise Global Combat Support System – Air Force (GCSS-AF) data and displays it for decision makers at all levels. Standard views including Balanced Scorecard, Aircraft Maintenance, Vehicles and Pipeline Analysis (demand-to-fulfillment time) are currently provided. Its trusted, authoritative, reliable and secure information is now used to run aspects of the Air Force supply chain.
- The IUID Reliability pathfinder demonstrated a repeatable, scalable serialized tracking process within a small asset population, which identifies, by serial number, those parts that fail most often (Bad Actors). Pathfinder results include: Pitch Electronic Control Unit (PECU) mean time between demand decreased 35%, established part number dashboard functionality in order to quickly display information about the performance of a part number family and developed a serial number report card displaying parts removed, replaced and history of repair.
- The Southwest Asia (CENTAF) asset accountability pilot at Al Dhafra Air Base leveraged existing active RFID infrastructure and ST-614 RFID tags. Fully 99.6% of vehicles and Aircraft Ground Equipment (AGE) were tracked successfully. They also reduced the effort-hours for asset location and stood up new capability to find lost assets – a remarkably successful test in real-world conditions.
- The Air Force is near achieving an Air Force-wide active RFID read/write capability. To date, 445 docking stations at 224 sites are writing tags for cargo entering Defense Transportation System. RFID capability was integrated into the Cargo Movement Operations System (CMOS), an Air Force system also supporting USTRANSCOM and the Army. Portable Deployment Kits (PDKs) were made available for deployed traffic management capability.
- Active RFID tags were attached to 323 Precision Guided Munitions (PGM) and Air-to-Ground Missile (AGM) containers stored in seven ammunition igloos. These RFID tags record temperature and relative humidity. The goal is to achieve increased asset visibility without human intervention, thus greatly reducing manpower associated with inventory and checking asset condition. The project demonstrates the value added by collecting environmental data and automated ammunition movement tracking and inventory.
- The IUID warranty tracking pathfinder created a warranty tracking process. The goal of the pathfinder was to demonstrate a repeatable, scalable process to alert technicians at the “point of maintenance” (all levels) and forward supply points regarding serial number-specific parts warranty status. This reduced repair costs and increased warranty utilization. The original testing period is for six months with interim reports due July 2008 and August 2008.
- The Standard Base Supply System (SBSS), the current legacy supply system for the Air Force, was enabled to use the new DoD standard data formats of the Defense Logistics Management System (DLMS). This supports the DoD Business Enterprise Priority of Materiel Visibility by enabling IUID/RFID and SFIS in transmitted and stored supply data. This will also prepare Air Force logistics data to fully exploit the more robust IUID/RFID and SFIS capabilities in ECSS.
- DLMS conversion: Air Force implemented Military Standard (MILS)-to-DLMS conversion processing using the ILSS/ES-S front end web application with release of Integrated Logistics Support – Supply (ILS-S) v3.0 in July 2008. This release enables conversion of 83 individual MILS transactions using only 15 DLMS transaction sets. These 83 transactions represent 75% of ILS-S's legacy MILS transactions produced today. The implementation of this release significantly enhances ILS-S's ability to migrate to ECSS and if required allows ILS-S to implement DoD and or Air Force mandated processes until legacy systems are fully migrated to ECSS.

Near-Term Plans:

- AFGSLC will incrementally update its supply chain processes and improve IT system capabilities while adding additional classes of supply. It will integrate 88 Air National Guard units and absorb more duties from the MAJCOMs and then begin integrating contract weapon system support. On reaching full



capability, it will provide supply support for all commodities, locations and systems—responsibility for the entire Air Force Supply Chain. AFGLSC will become the end-to-end single face to the customer with the fielding of ECSS. The AFGLSC is planned to achieve Full Operating Capability (FOC) with the fielding of ECSS tools in FY12.

- The next 18 months LIMS-EV will create an enhanced senior leadership view capability and incorporate real property views.
- Pacific Rim (PACAF) and Continental United States (CONUS) Force Projection Bases RFID infrastructures are currently scheduled to be completed in February 2009.
- The Air Force is marking all assets in the Air Force Equipment Management System (AFEMS). This project is also a prototype for the printer service bureau (PSB) concept. The PSB contract will be awarded in FY08 and Wright Patterson AFB will serve as the test base for marking of all AFEMS equipment prior to exporting the process Air Force-wide.
- Phase II of the Military Equipment Valuation (MEV) list is scheduled to be completed on September 30, 2008 and will result in the registration and assignment of UIIs to primary munitions, navigation pods and space related systems. Phase III completion date, set for September 30, 2009, will result in the registration and assignment of UIIs to primary information and data systems. Engines are currently visible in flight line maintenance, depot maintenance and transportation via Automated Information Systems (AISs), but not from maintenance handoff to the engine leaving the installation. The Air Force is pursuing active RFID project to enhance engine visibility. The Air Force is investigating the use of passive RFID in the air-to-air refueling process to enhance fuel accountability.

AIM: The Civil Engineer vision is to continue to be DoD leaders by providing global combat support and efficient, sustainable installations using transformational business practices and innovative technologies to enable the projection of air, space and cyber power. We will do this by enabling the AIM initiative that fuses our day-to-day business processes with IT to transform how we do business. AIM is focused on making what we do—our processes—at all installations more effective and efficient and enabling those processes with IT to have an Enterprise view of all our installation assets. A major goal, 20/20 by 2020, is focused on offsetting the 20% reduction in funds available for installation support by achieving efficiencies and reducing the amount of current physical plant the Air Force spends money on 20% by the year 2020. The following activities, projects, initiatives and systems are implementing AIM business transformation:

Accomplishments/Capabilities Delivered:

- Established Strategic Initiatives Office to execute organizational change management, strategic communication and strategic planning for all Air Force installation real property management transformation activities.
- Instituted form and structure to Enterprise-wide Civil Engineer transformation by establishing a formal governance structure and by commissioning 35 high value Enterprise-wide transformation initiatives. The Enterprise wide initiatives, each led by a team and charter, replace more than 200 process improvement initiatives at Major Commands and installation levels, eliminating duplicative and/or low priority efforts.
- Blue Suit Review (BSR) rebalanced Air Force Specialty Code (AFSC) and Unit Type Code (UTC) structure to optimize presentation of forces for wartime UTC requirements. It increased manpower in Explosive Ordnance Disposal (EOD) by 159 and RED HORSE by 318. Increases in RED HORSE were funding in FY08 while increases EOD in manning levels will be funded through FY10. Civil Engineering (CE) plans to conduct further BSRs and continue to optimize the Air Force EOD force to ensure the Air Force can “Win Today’s Fight” as well as “Prepare for Tomorrow’s Challenges.”
- Restructured Air Force CE organization from Air Staff level through squadron level. Focused the organizations on products versus stovepipe processes to better manage real estate and real property from an Enterprise perspective.
- Centralized the execution management of Military Construction (MILCON), Housing and Environmental Restoration programs from the Major Commands to the newly renamed Air Force Center for Engineering and the Environment (AFCEE). Centralized the management establishes Air Force



levels of service and standards, single agency accountability and improved program integrity while producing business process efficiencies.

- Completed levels one through four mapping of six high-level CE business capabilities (planning, programming, project management, installation management, work management, supply management). This mapping serves as the foundation for reengineering current business processes to make them more efficient and effective. Standardized business processes will enable strategic sourcing of services and commodities. Living web-based playbooks will ensure standardization of business processes while simultaneously enabling near instantaneous Enterprise-wide changes and organizational learning.
- The Air Force became the first service and first federal agency to implement the National Inventory Management Strategy (NIMS) by achieving Initial Operational Capability (IOC) in December 2007 and is on track to achieve FOC by December 2009. AFIMS meets requirements of the President's Department of Homeland Security directives. AFIMS coordinates Air Force installation emergency response with other government, private sector and non-government organization emergency response efforts.
- Enabled hazardous materials, hazardous waste and clean-up capabilities within GCSS-AF framework. Capability provides an enterprise solution for managing environmental processes and includes automated coordination with Safety and Occupational Health communities. First Service to develop a DoD approved Environmental Liabilities (EL) initiative plan.
- Implementing RPIR and Real Property Acceptance Requirements (RPAR) to support the DoD Transparency initiatives. Assisted in reengineering real property lifecycle processes, supporting data elements, business rules and systems that were developed and documented in the Real Property Accountability System Configuration Guide.

Near-Term Plans:

- CE's transition to the internationally/industry-proven Asset Management (AM) approach to installation support is well under way. Currently beta testing AM/Activity Management Plans at Fairchild and Langley AFBs is on-going. Asset Management will maximize the value and utility of the Air Force built and natural infrastructure and enable the Air Force to better quantify, articulate and manage infrastructure risks while supporting the mission with assets at the right size, condition and cost. The Air Force will meet the intent of Executive Order 13327 by developing AM plans, performance measures and lifecycle cost estimates.
- Reorganizing CE will facilitate strategic sourcing of services (i.e., custodial contracts, grounds maintenance and architect-engineering design) and commodities (i.e., utilities, facility mechanical components, equipment). Restructured organization, reengineered business processes and transformed IT will enable the Air Force to leverage its size when acquiring services and commodities. Strategic sourcing is a commissioned transformation initiative.
- Installation Geospatial Information and Services (IGI&S) is required to support base mapping, critical infrastructure identification, base recovery after attack operations, incident management, unexploded ordnance (UXO) identification, design and construction planning and serves as the basis for the installation level command and control system.
- The Air Force is on track to privatize 70% of Military Family Housing (MFH) units by the beginning of FY09. Over \$357M was leveraged for \$5.9B in private sector funds as of June 2008. Goal is to privatize 100% of CONUS MFH. Privatization provides quality housing to our Airmen and their families more rapidly than traditional MILCON avenues.
- The Air Force is expanding its focus on Enhanced Use Leasing (EUL) opportunities to leverage infrastructure resources and private investment capital to generate revenue or in-kind services. For example, Patrick AFB is exploring the possibility of leasing its underutilized sea port facility to the Disney Cruise Line. The port facility is currently only used a few times per year to haul in equipment for space launches. Disney is looking at funding a substantial upgrade of the port facility to use for its cruises, while providing Patrick AFB with continuous revenue through a lease agreement.



- The Air Force is significantly increasing its efforts to apply sustainable design concepts in the planning, design, construction, environmental management, operation, maintenance and disposal of facilities and infrastructure projects, consistent with budget and mission requirements. A sustainable facility achieves optimum resource efficiency and constructability while minimizing adverse impacts to the built and natural environments through all phases of its lifecycle. Starting with the FY09 MILCON program, all MILCON climate controlled vertical construction must be capable of meeting Leadership in Energy and Environmental Design Silver criteria. These efforts will also help the Air Force meet the Federal Energy Policy Act 2005 and Executive Order 13423 goals.
- Real Estate Management: Implement a Commercial Off-the-Shelf (COTS) solution to provide for Enterprise management for real estate inventory, acceptance and transactions. It will also provide capability to enable space management to incorporate industry standards for space measurement and allocation to reduce the required facility footprint.
- Infrastructure Energy Strategic Plan: Focused on preparing for tomorrow's challenges, the Air Force is implementing the four pillars of this plan: striving to improve current infrastructure, improving future infrastructure, expanding the use of renewable energy sources and managing cost. Conserving energy, expanding the use of renewable energy sources and making energy a consideration in all the Air Force does will free up funding for other priorities. For example, through a public-private partnership, Nellis AFB now hosts the largest solar photovoltaic system in the Americas, which supplies Nellis AFB with more than 25% of its power through clean and environmentally-friendly renewable power while saving the Air Force approximately \$1M in annual energy costs.
- Utility Systems Privatization: The Air Force is privatizing utility systems (water, natural gas, etc.) to the maximum extent possible, which will leverage industry best practices and capital to improve service and reliability. The Air Force has 37 systems currently under review for potential award in FY08.

Metric: Personal Property Items with Unique Item Identifiers (UII) in Item Unique Identification (IUID) Registry:

The objective of this metric is to ensure the Air Force IUID program fully supports the DoD IUID implementation plan. See Chapter 3, Material Visibility for a full description of IUID. By marking each required item with standard unique serialization, the Air Force will have the ability to gather data discretely. The UII, through interfacing with the appropriate data systems, will enable accurate and timely information on the location, condition, status and identity of aircraft, munitions, equipment and supplies to ensure efficient and effective acquisition, repair and deployment. All required items for implementation Phase I, primarily aircraft, were assigned a UII and posted to the DoD IUID Registry.

The Air Force is currently marking legacy items at all Air Logistics Centers and finalizing the data linkages between the part marking devices and the DoD IUID Registry. This direct linkage between the Registry and the Air Force devices will minimize duplicate registrations. The Air Force will post these legacy items to the IUID registry after item data is cleansed and validated. Air Force progress is tracked by Air Force Materiel Command.



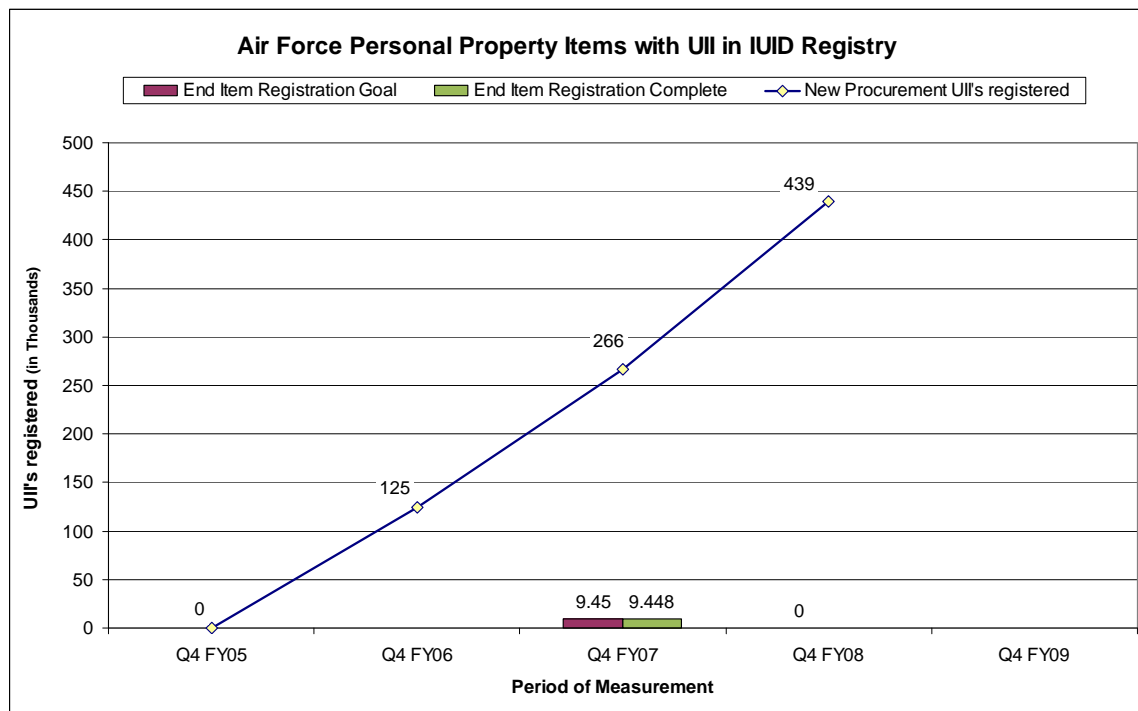


Figure 7-2: Air Force Personal Property Items with UII in IUID Registry

New procurement UIIs are estimates rounded to the nearest thousand using the monthly summary statistics electronically disseminated by the Defense Logistics Information Service (DLIS) on IUID registry growth. The discrepancy in end item registration for Q4 FY07 between goal and completion are two C-32B aircraft. No data for end item registration for Q4 FY08 has been entered because there is not sufficient reliable data being received by the Serial Number Tracking (SNT)/IUID project office from program offices to provide an accurate estimate of the goal and what may have been completed already as part of new procurement registration.



Metric: Percent of Air Force Aerial Ports able to read/write Radio Frequency Identification (RFID) Tags

The objective of this metric is to ensure Air Force provides RFID capability at the right places and the right time to fully support DoD, U.S. Transportation Command (USTRANSCOM) and Combatant Command (COCOM) IUID implementation plans. See Chapter 3, Material Visibility for a full description of RFID. This metric shows continued progress fielding the infrastructure for RFID tag read/write capabilities at the Air Force depots and aerial ports that support U.S. and Coalition warfighters. Progress is tracked by Headquarters Air Force Logistics.

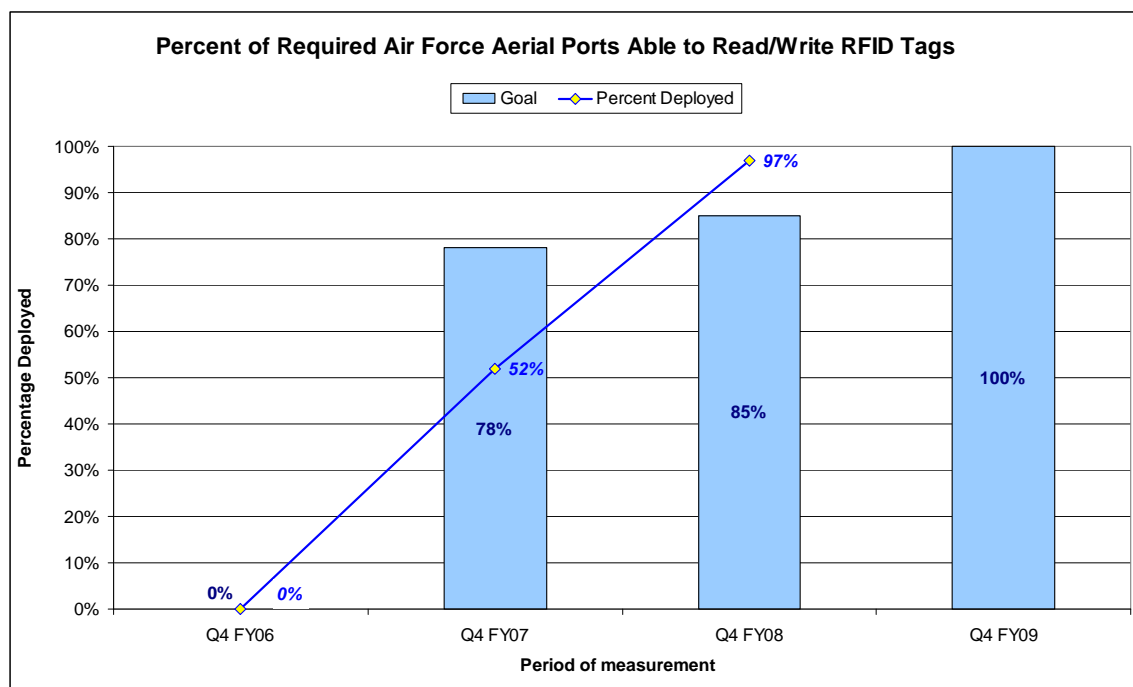


Figure 7-3: Percent of Required Air Force Aerial Ports Able to Read/Write RFID Tags

Air Force Priority #2 and Metrics: Leverage the Power of Information to Transform Global Operations

The seamless exchange of information between business and Agile Combat Support (ACS) systems will contribute to decision superiority by enhancing COCOMs visibility into real-time force capability. Leveraging the power of information, the Air Force will fuse all aspects of mission readiness (weapon system status, supply and support availability, deployment and force posture) into a comprehensive picture, making innovative use of existing systems and fielding transformational new programs. Our goal is to provide users Air Force data that is visible, accessible, understandable and trusted. Objectives in support of this goal include 1) exposing only authoritative data, 2) developing common enterprise services that can be reused by functional communities and 3) reducing the time and resources required to develop and field new capabilities.

As part of its strategy, the Air Force is implementing transformation through transparency using common, international standards (as much as possible), commercial products and process reengineering to ensure the right data is available with the right protection and safeguards.

The infrastructure leverages the work of the commercial sector – small re-usable services registered and accessed in a fully discoverable, searchable metadata environment built using a SOA approach. With a SOA approach, the Air Force is deliberately moving away from creating and maintaining individual information systems connected by dozens, if not hundreds, of expensive, unique point-to-point interfaces. Migrating applications and data sharing to a SOA will enable better information sharing, reduce sustainment costs for the aforementioned interfaces, encourage re-use of services already developed and improve access to our critical data.



Priority 2 supports the full range of Business Enterprise Priorities. Whether the term “visibility” is explicitly in the priority title or not, all the Business Enterprise Priorities engaged in improving and/or transforming their processes (acquisition, financial, materiel, etc.) are concerned with making their data visible to users. As mentioned above providing Air Force users “visible” information is one aspect of our goal in support of Priority 2.

Transformational Activities

SOA: The Air Force SOA model requires new IT systems to reuse enterprise infrastructure services such as security, cryptography, discovery and data exposure. As the SOA is implemented, giant software programs will be phased out in favor of lightweight services that are dedicated to the solution of one bounded problem at a time and whose interfaces are discoverable via the Metadata Environment and expressed in terms of community of interest (COI) vocabularies.

Accomplishments/Capabilities Delivered:

- The Initial Infrastructure Build (IIB) contract awarded on September 27, 2007, demonstrated a SOA capability to the government on April 30, 2008. The pilot capability demonstrated a SOA hosting environment with advanced security, an operational Major Defense Equipment (MDE) and a functional Deployment Readiness (DRS) use case. The Air Force and the Defense Information Systems Agency (DISA) have partnered to extend the pilot into an operational environment so COIs can develop web-based services. The team completed the design and started procurement and installation of the operational environment in July 2008.

Near-Term Plans:

- Installation in a DISA facility of the above mentioned operational environment is scheduled for completion by September 30, 2008. Subsequent efforts will expand the operational environment to an additional facility by December 30, 2008. Providing an operational environment to allow COIs to develop web-based services is an important step in attaining the “accessible” element of our data goal (visible, accessible, understandable and trusted).

MDE: With the designing and building of a MDE the Air Force is changing how search and discovery are provided to the Enterprise and its external consumers of data. A MDE will enable discovery of products such as documents and capabilities both within the Enterprise and by external bodies.

Accomplishments/Capabilities Delivered:

- Per Office of the Secretary of Defense Networks and Information Integration (OSD/NII) direction, the Air Force led a DoD/Intelligence Community (IC) effort to develop a service to automatically populate discovery metadata for information assets using COI vocabulary products and open standards architecture. The Automated Metadata Population Service (AMPS) automates the time-consuming manual task of assigning accurate and complete discovery metadata to authoritative assets. The first spiral of capability was delivered April 10, 2008 and demonstrated to the Secretary of the Air Force (SAF) in May 2008.

Near-Term Plans:

- The first spiral of AMPS will be productized into a platform-independent web service scheduled to be available to anyone within the DoD or IC enterprise by September 30, 2008. Development will continue on the second spiral of AMPS, which will include automatic population of optional fields with metadata and a more robust user front-end. The automatic population of metadata via AMPS is an important enabler of the “visible” element of our data goal (visible, accessible, understandable and trusted).

Metric: Vocabulary Objects Created

COIs are collaborative groups of users requiring a shared vocabulary to exchange information supporting the group’s shared mission/business process. The primary effort of Air Force COIs is to identify the business objects for which they are the authoritative source of data and the rules for accessing that data which may include security, Privacy Act, or intellectual property considerations. The Vocabulary Objects Created metric

identifies the number of vocabulary objects Air Force COIs have formalized. Having COIs reach agreement concerning vocabulary is a foundational step in leveraging the power of information to transform global operations. Preceding the start of data collection was the preparatory work the Air Force did to establish a governance structure, the Transparency Integrated Product Team and a set of documented processes for COIs to follow while accomplishing their work. A number of COIs are at various stages of producing approved vocabularies and identifying authoritative data sources. Once a particular system is identified as an authoritative data source it can start the process of evolving from point-to-point system interfaces to a web-services environment.

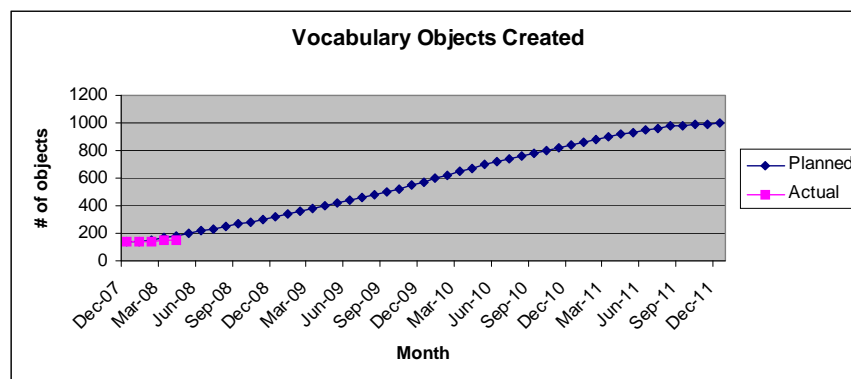


Figure 7-4: Vocabulary Objects Created

Air Force Priority #3: Improve Operational Capabilities through Improved Real-Time C2, Decision Support and Predictive Analysis

The acceleration of information flow to and from Commanders and civilian leaders will result in a more effective Air Force. This will enable improved information quality, the ability to present decision makers with decision support and alternatives analysis and the ability to show cause-consequence relationships projected into the future (predictive analysis). To achieve this, we will simplify and accelerate process, upgrade technology and improve information quality to create models needed to conduct predictive analysis.

This priority straddles and integrates between the Business Mission Area and the Warfighting Mission Area. As such, the systems that support this priority are not strictly business systems and therefore are not targeted as business transformation programs. They are listed as transformational activities in support of this priority.

Business Enterprise Priorities supported: Personnel Visibility and Material Visibility. Priority 3 links to (1) Personnel Visibility by providing access to reliable and accurate personnel information in support of warfighter mission planning, ensuring accurate and timely access to data on personnel and their skill sets for COCOMs and improves accuracy, completeness and timeliness of personnel strength reports; and (2) Material Visibility by providing actionable information on the location, movement, status and identity of unit equipment, materiel and supplies.

Transformational Activities

Deliberate and Crisis Action Planning and Execution Segments (DCAPES): DCAPES integrates automated decision support applications and information exchange capabilities to provide the Air Force the means to manage force packages and taskings. It provides multiple organizations at many levels support to plan, source, mobilize, deploy, sustain, redeploy and reconstitute forces.

Near-Term Plans:

- DCAPES newest version, 4.1.0.3, is awaiting regression development testing and operational testing with a planned fielding in first quarter FY09. New functionality contained in this release includes the Air Force Unit Type Availability module, an enhanced sourcing and scheduling capability and an in-theatre deployed personnel accountability capability.



- DCAVES v4.1.0.3 is one of the largest deliveries of Air Force functionality since DCAVES's fielding in 2002. This release provides an upgrade of the database and an upgrade of the operating system. This release also includes our first web enabled applications in the Manpower-Personnel Module, Base Level (MANPER-B) Deployed Functionality and user account management as well as our first web service interface.
- DCAVES will migrate to a net-centric environment enabling the Air Force to minimize or eliminate unique functional stovepipe legacy systems. In today's environment, the Air Force funds the integration of these applications at the service level and then pays again to integrate them to support the joint process. The architecture will provide DoD with shared, reusable services that enable mission-critical sharing of information and applications. This will eliminate the double thumping of data that occurs today between the many users of Air Force feeder systems. With the goal of all the systems being "net-centric," DCAVES can gain access to needed capabilities and data simply by plugging into the net. This approach significantly reduces the need for costly and complicated point-to-point integration or interface work on the part of developing software engineers while still achieving the process-streamlining vision initially desired. (Q1 FY09)

Logistics Feasibility and Capability (LOGFAC): A unit, wing, MAJCOM and Headquarters, Air Force (HAF) level tool that utilizes Strategic Planning Guidance factors. It provides war planners with information on sortie capability and sustainability, distribution objectives and additive requirements for both munitions and non-munitions war consumables distribution objective.

Air Force Priority #4: Support Our People -- Our Most Important Resource

The Air Force will be more effective and efficient with a satisfied, empowered, stable total force of military, civilian and contractor personnel. This strategy will be implemented through benefits, workplace and family programs, training and education of military and civilian leaders, change management strategies; and changes to process, personnel accountability and contracting. AFSO21 is aiding transformation efforts through the examining and restructuring of Air Force business processes based primarily around Lean initiatives. The primary objectives are to:

- Maximize automation and self-service
- Deliver consistent, reliable and knowledgeable customer service
- Provide accurate, up to date personnel and pay information
- Deploy tools, organizations and training to ensure world-class personnel and pay expertise
- Develop guidance and resources that enable Airmen to take ownership of their careers
- Standardize services and platforms across Active Duty, Reserve, Guard, Civilian components and for all family members and retirees
- Simplify and streamline hiring and staffing processes

This priority supports the Business Enterprise Priority of Personnel Visibility. Specifically, the focus is to improve the efficiency and quality of transactional, customer service, advisory and program oversight services through reengineering, consolidation and automation, enhancing the Air Force's ability to manage personnel and pay, as well as quality of life and morale, welfare and recreation. Priority 4 transformation efforts present a new service delivery model in which the majority of manpower, personnel and services transactional and customer service work and the program management/oversight of those functions are primarily consolidated at the Air Force Manpower Agency (AFMA), the Air Force Personnel Center (AFPC), Air Reserve Personnel Center (ARPC), or the Air Force Services Agency (AFSVA). This is consistent with achieving the objectives and improving the business capabilities associated with Personnel Visibility by enhancing access to personnel services and information through the leveraging of web-based applications and next-generation contact center technology that enables real-time personnel and pay tools and information to be in the hands of customers.



Transformational Activities

My Development Plans (MyXDP): Will provide a coordinated, integrated, one-stop ‘dashboard’ for information relating to Total Force education, training and experience opportunities for all Airmen. The MyXDP consists of three parts for officers, enlisted and civilians and pulls together existing information from various sources into a single source for viewing.

- My Officer Development Plan (MyODP) will be the dynamic tool for all officers to use for their dream sheets, their projected assignments and/or school vectors. It will ease the Commanders’ decisions as they make their selections for command and school, helping develop the Airmen to their highest potential and broadening beyond a simple resume.
- My Civilian Development Plan (MyCDP) will be an integrated tool to support Department of the Air Force (DAF) Civilians, using all aspects of the current Defense Civilian Personnel Data System (DCPDS) and future systems, integrating them in one place. It will effectively use the information to project the best functional and corporate development for our future leaders, enhancing the transparency between recently retired military and civilian corps.
- My Enlisted Development Plan (MyEDP) has been operational via the Air Force Portal since October 2006 and has over 122,000 users. It is the premiere tool for the enlisted force and their supervisors/Commanders to plan their education, training and experiences, along with being a mentor and providing mentorship to others. It led the development path for the other two efforts and is fully integrated into the Community College of the Air Force (CCAF) programs, the Air University-Associate to Baccalaureate Cooperative (AU-ABC) and the Air Force Automated Education Management System (AFAEMS). MyEDP has become the future way the enlisted force completes their education, training and experiences today.

Accomplishments/Capabilities Delivered:

- Completed MyEDP spiral improvements to enhance usability.

Near-Term Plans:

- Deploy My ODP and My CDP. (Q2 FY09)

Equal Opportunity (EO) Transformation: EO Transformation is the integration of the military and civilian EO workforce and is being achieved in two phases. Phase I involves initial military/civilian workforce integration and management of military EO programs with civilian complaints and Alternative Dispute Resolution (ADR) portions of the Equal Employment Opportunity (EEO) program under one Director. Phase II involves the alignment of the civilian Affirmative Employment Program (AEP), including the Special Emphasis Programs (SEPs), into the new combined EO structure with the intended operational result of a Model EO Program to meet applicable requirements.

The integrity of the military and civilian separate programs will be maintained while achieving better service to customers, Commanders and career development of the EO workforce.

Accomplishments/Capabilities Delivered:

- Began development of collaborative tools with the offices of the Air Force Judge Advocate General (JAG) and SAF General Counsel to integrate and streamline the ADR and EO work streams. Identified and recommended elimination of barriers to recruiting, hiring, advancement and retention of civilian force. Established three senior level “Diversity Champions” to act as catalysts for diversity throughout the Air Force by helping the Air Force live up to its commitment to embrace and value diversity, acting as role models and holding others accountable and inviting, encouraging and inspiring organizational excellence.

Near-Term Plans:

- Develop and field new IT solutions and new EO system; revise Air Force EO policy directive and devise a methodology for integrating Affirmative Employment Planning into the EO structure. (Q2 FY09)



Services Transformation: Air Force services developed a transformation plan that focuses on optimizing existing resources while also identifying ways to leverage new funding opportunities. Concurrently, services is reinventing a number of key programs to improve program and service delivery. The goal is to ensure that Airman quality of life will be maintained in deployed and home station locations.

Accomplishments/Capabilities Delivered:

- Developed new web-based Learning Management System (LMS) to expand training and improve staff performance for all non-appropriated fund (NAF) employees. System documents training in employee's personnel records. Centralized funding and management of Air Force lodging program, including development of corporate standards for facilities and operations. Improved quality and efficiency will provide overnight accommodations comparable to any highly-regarded private sector limited-service hotel.

Near-Term Plans:

- Complete research to establish a linkage between services programs and readiness and retention. Research will be used to ensure adequate funding as well as improved resource allocation; develop services business decision-making model to enable smart investment and divestment decisions at the Enterprise, base and activity levels; explore innovative funding tools to expand facility recapitalization capabilities. This will ensure that adequate funding is available to maintain and improve services facilities and program delivery. (Q1 FY09)

Air Force Priority #5 and Metric: Increase Resources Available for Recapitalization

Operations Support can return resources to core missions by doing away with or automating repetitive transactional tasks. Commanders can be made more effective by leveraging a smaller cadre of expert advisory resources. We will achieve this by reengineering our processes, reorganizing, modifying our policies, retraining our personnel and our Commanders, redefining jobs and recruitment criteria and upgrading technology.

As with other priorities' strategies, we will leverage modern COTS technologies to reduce barriers of time and space in delivering services. New services can be provided at low cost by combining activities, providing regional or global support centers and by moving to online self-service delivery models. We will reorganize; adopt internet, call centers, workflow and other technologies; utilize COI defined data structures and identify singular authorities for providing specific information and services; modify our policies; and increase self-accountability. The Air Force will also combine systems into unified platforms and improve access and speed to information to reduce the need for incorporating data for analysis. The Air Force will also utilize and integrate with enterprise systems such as Defense Integrated Military Human Resources System (DIMHRS) to reduce the need to duplicate processes and resources.

This Air Force transformational priority supports all of the Business Enterprise Priorities by unifying resources to provide visibility across the spectrum of domains. By recapitalizing, shared resources can support multiple DoD Business Enterprise Priorities, or can provide resources to be redirected to drive towards transformation efforts supporting other Air Force priorities or DoD Business Enterprise Priorities.



Metric: IT Systems Elimination

The number of scheduled versus actually eliminated IT systems is cumulative and reflects sustainment costs that were freed up for recapitalization towards funding towards systems modernization in support of other priorities' needs.

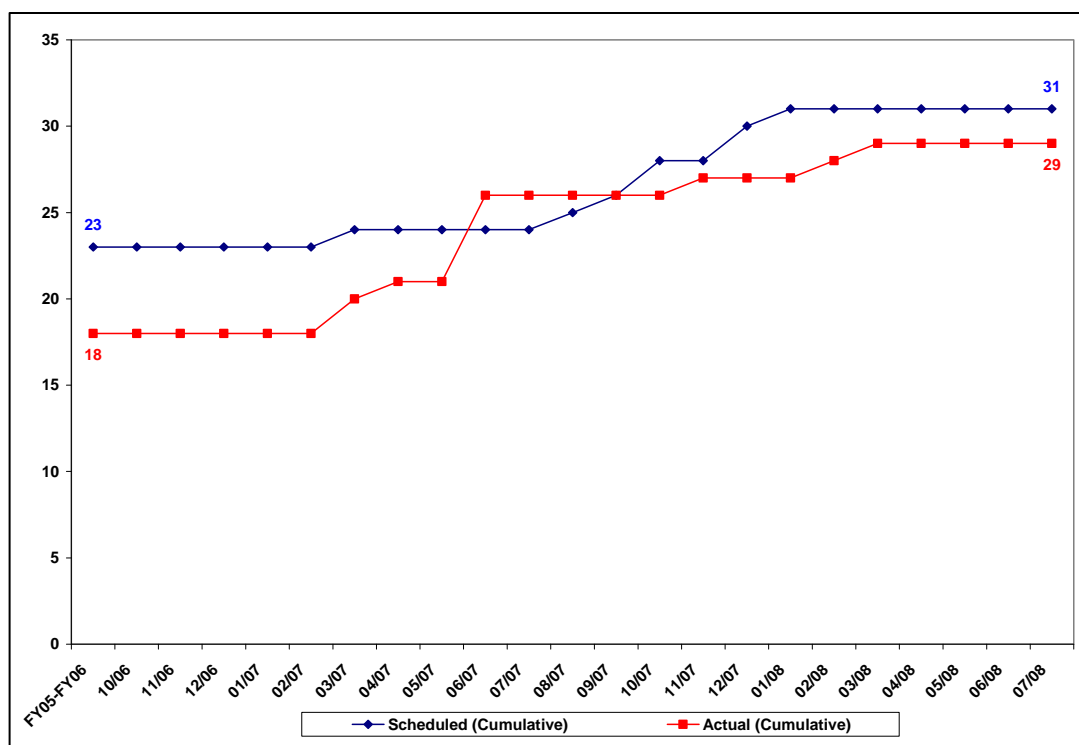


Figure 7-5: Information Technology Systems Eliminated

Air Force Priority #6 and Metric: Provide accurate, reliable and timely financial information to support decision making and accountability

The Air Force is committed to improving the accuracy, reliability and timeliness of financial information for decision makers and achieving audit readiness on our financial statements. To achieve this priority the Air Force is breaking down business processes into manageable increments that are aligned to the Business Enterprise Architecture (BEA) and in accordance with the Chief Financial Officer (CFO) and the Federal Financial Management Improvement Act (FFMIA) compliance requirements. Using our Air Force Financial Improvement Plan (Air Force FIP) we are prioritizing our efforts to ensure the efficient use of resources and that our processes are standardized and integrated with other business transformation initiatives to ensure consistency and continuity across the Enterprise.

The Air Force is transforming from the old transaction-based business model to a new paradigm that enables decision makers and warfighters to facilitate financial transparency by providing a clean audit through the modernization of financial systems, the SFIS Enterprise initiative and the identification of authoritative data. An Air Force Financial Management data strategy has been published to outline the methodology used to identify authoritative data sources, standardize existing data and map legacy data elements to SFIS. These efforts directly impact the Air Force's ability to finance the fight and support the Air Force Mission and provide the ability to audit our business processes.

Additionally, the Air Force will continue to reduce transactional activities, establish transparent processes and consolidate functionalities while providing increased capabilities to the warfighter. This will be met through the utilization of Enterprise Resource Planning (ERP) systems, such as the Defense Enterprise Accounting Management System (DEAMS) and ECSS, which will consolidate functionalities spread across numerous systems, thereby reducing transactional activities while establishing transparent business processes. As with



other priorities' strategies, the Air Force will utilize resources across agencies, functional communities, conform to governing policies and regulations, standardize business processes, utilize COTS based solutions and provide integration of systems through standards based approaches. Through these efforts, the Air Force will provide timely, reliable and accurate information to the warfighter and senior leaders.

Business Enterprise Priorities Supported: Financial Visibility, Personnel Visibility, Acquisition Visibility, Common Supplier Engagement, Material Visibility and Real Property Accountability. Priority 6 supports multiple Business Enterprise Priorities as ensuring timely, accurate and reliable financial reporting spans multiple processes across the Air Force Enterprise. Specifically, Priority 6 links (1) Financial Visibility with improved access to accurate and reliable financial information (including planning, programming, budgeting, accounting and cost information) supporting acquisition and sustainment processes, (2) Personnel Visibility by providing access to more reliable and accurate personnel information for warfighter mission planning, reducing rework and improving accuracy, completeness and timeliness of personnel information, which can result in the reduction or elimination of duplicative data capture and system access activities (3) Acquisition Visibility with timely access to accurate, authoritative and reliable information supporting acquisition oversight, (4) Common Supplier Engagement with the standardization of processes to ensure reliable and accurate delivery of acceptable goods and services, (5) Material Visibility with improved data integrity and visibility through the development of a supply chain information environment and (6) Real Property Accountability through the delivery of consistent real property, environmental liabilities and hazardous materials (Hazmat) information, supported by standard processes and data that is integrated with financial, real property and environmental business practices. Additionally, Priority 6 will support the Real Property Accountability objective to provide a complete inventory of environmental liabilities reconciled with property, plant and equipment records, adequate environmental liabilities (EL) management controls, audit trails, cost estimates and documentation.

Transformational Activities

SFIS Enterprise Strategy: The Air Force has integrated the current SFIS data elements into their data cleansing efforts that are being performed to identify authoritative financial data sources and standardizing financial data structures throughout the Air Force. This effort includes identifying and classifying systems as legacy accounting systems, target accounting systems, target business feeder systems, legacy business feeder systems and systems that contain no financial information, as well as identifying standard information structures for financial reporting.

Near-Term Plans:

- Remodel the Air Force FIP and subsequent Key Milestone Plans to align to the revised audit strategy based on the Financial Improvement and Audit Readiness (FIAR) Plan end-to-end business processes by September 2008.
- Creation of a data quality service that leverages the current SOA provided by DISA and the Air Force. This service will provide the automatic validation of data elements to ensure accuracy and standardization. Implementation will reduce the amount of reconciliation, re-keying and re-work required input data. (December 2008)

Metric: Percent financial transactions processed electronically

- Percent electronic invoices.
- Percent electronic receiving reports.
- Percent electronic miscellaneous payments.

This metric depicts the level at which the Air Force is processing financial transactions electronically. It measures electronic transactions at all levels within the Air Force. The Air Force uses this information to identify improvement areas and whether or not those previous improvements/changes are working. The goal of the Air Force is to electronically process 100% of our transactions.



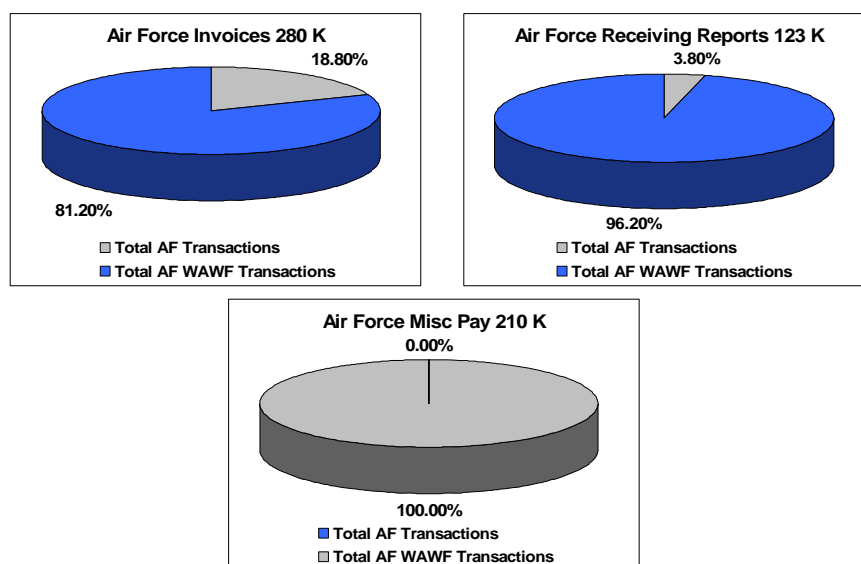


Figure 7-6: Electronically Processed Financial Transactions

Air Force Priority #7 and Metric: Optimize Enterprise Performance through Transformation and Continuous Improvement across Functional Boundaries

Air Force Smart Operations for the 21st Century (AFSO21) is designed to institutionalize Service-wide, continuous process improvement. The intent is to strengthen Air Force capability by making improvements in productivity, safety, personnel and equipment availability, reliability, cycle time, energy efficiency, investment and operating costs. AFSO21 challenges all Airmen to drive improved mission performance through continuous process improvement (CPI). The objective is to take high-performing organizations to the next level by identifying and eliminating wasteful practices in all environments to maximize the value and productivity of resources and fully integrate a CPI system for the Air Force.

Accountability of results is driven through a unique governance structure, which combines the expertise and experience of process owners with the combat capability of the most senior Air Force Commanders. This Process Council, chaired by the SECAF meets on a quarterly basis to review performance relative to efficiency targets, initiatives, key performance indicators and management issues and the overall impact of effort as it drives toward Air Force goals and objectives.

Commanders at all levels are expected to lead and implement efforts (linked to mission and goals) to increase expertise and to improve processes. One outcome of the AFSO21 effort is to make all Airmen critical thinkers and problem-solvers. The program uses proven commercial practices (e.g., Lean, Six Sigma, Theory of Constraints and business process reengineering) under a standard eight-step problem-solving model of Observe-Orient-Decide-Act.

AFSO21 is a key aid across all Air Force and DoD Business Enterprise Priorities. It provides a structured method to examine operational and business processes of the Air Force, ensure alignment of performance goals and improvement priorities across MAJCOMs and Air Force processes, engages Air Force top level leaders in governance to ensure common strategic direction and elimination of process improvement barriers and trains Airmen on the tools and methods to help eliminate waste, complexity and variation in our processes.

The Air Force will implement AFSO21 in a three-phased approach. This phased approach reflects widely used and understood change management practices. Phase 1 ensures leadership understanding, knowledge and commitment to process improvement with requisite connection to their organizational goals and leadership structures. Training and visible “wins” are important to create necessary traction for change in this early phase. Phase 2 efforts ensure wide application of CPI across all key process areas, strong alignment with organizational goals (cascaded up and down organizations) and achievement of tangible results and sufficient

expertise to ensure its institutionalized across the Air Force. Phase 3 reflects a very mature capability and state within the Air Force.

Metric: Training and Certification Metrics

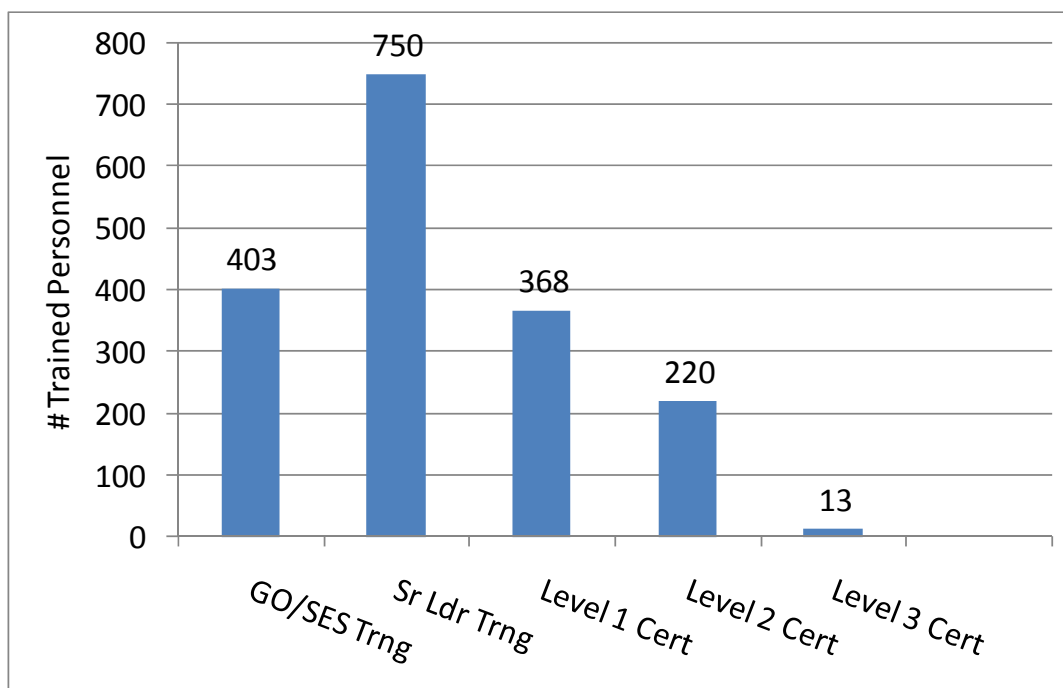


Figure 7-7: Air Force Training and Certification

Figure 7-7 depicts the level of commitment by Air Force leadership to provide training and certification to strengthen the ability of every Airman, to drive mission performance for every Airman and to drive improved mission performance in line with Air Force strategic goals & objectives through: continuously improving processes, strengthening management effectiveness and shaping mindset and behaviors.

Air Force Priority #8 and Metrics: Improve Development and Delivery of Capabilities through Disciplined and Credible Processes

The Air Force is systematically reviewing the core processes it uses to acquire, deliver and sustain capabilities as part of the AFSO21 activities. These core processes support an integrated lifecycle management (ILCM) view of the Enterprise's activities within the develop and sustain warfighting systems (D&SWS) core process. The D&SWS Process Council is developing ILCM as part of its transformation initiatives designed to reach the following goals: improve system availability at reduced cost, produce systems on-time/on-cost and reduce cycle time from need to fielding.

The ILCM view addresses the entire enterprise lifecycle for air, space and cyberspace warfighting systems as well as appropriate business systems and services from capability planning to system disposal. The augmentation of an ILCM Enterprise view managing warfighting systems across their lifecycles has provided a framework onto which D&SWS process initiatives are being implemented. This brings increased focus on enhancing program success while balancing performance, sustainment, readiness and affordability.

Business Enterprise Priorities supported: Acquisition Visibility, Financial Visibility, Common Supplier Engagement and Material Visibility. Priority 8 links to: (1) Acquisition Visibility with timely access to accurate, authoritative and reliable information supporting acquisition oversight, (2) Financial Visibility with improved access to accurate and reliable financial information (including planning, programming, budgeting, accounting and cost information) supporting acquisition and sustainment processes, (3) Common Supplier Engagement with the standardization of processes to ensure reliable and accurate delivery of acceptable goods and

services; and (4) Material Visibility with improved data integrity and visibility through the development of a supply chain information environment.

Transformational Activities

The Air Force is focused on how to design, build and maintain high confidence programs. Critical to this transformational activity is the development and maturation of lifecycle metrics, including program performance and risk throughout the lifecycle. The initiative provides decision-support data for oversight, direction and formal reporting. An ILCM Executive Forum has been established to balance and integrate critical performance and long term tradeoffs across all weapon and IT business systems, service delivery, organizational processes, resource, infrastructure and expectations management throughout the lifecycle.

Accomplishments/Capabilities Delivered:

- Demonstrated a portfolio management tool that provided, for the first time, an enterprise view of acquisition programs. Utilizing key program data/metrics (such as Probability of Program Success (PoPS) and Monthly Acquisition Report (MAR) information), Air Force decision makers would be armed with cross-platform information that would enable them to strategically prioritize, plan and execute programs more effectively. (May 2008)

Near-Term Plans:

- Extending the current set of metrics used to monitor acquisition program health and risk assessment to include logistics health providing a complete end-to-end program assessment. (Q1 FY09)
- Active Risk Manager (ARM) – Pilot will demonstrate a standard risk management tool that will enable a consistent and reliable risk management process and will provide transparency of program risks, controls and actions, across the acquisition portfolio. (Q4 FY09)

Bakers Dozen: The Service Acquisition Executive responded to the Deputy Secretary of Defense (DepSecDef) requested a Defense Acquisition Performance Assessment (DAPA) study and made a personal commitment for acquisition improvement by identifying thirteen initiatives known as the Baker's Dozen. The goal of the Baker's Dozen is to provide lean acquisition while ensuring credibility, transparency and integrity.

Accomplishments/Capabilities Delivered:

- Successfully submitted data from System Metric and Reporting Tool (SMART) to Defense Acquisition Management Information Retrieval (DAMIR) via web services, allowing instant Defense Acquisition Executive Summary (DAES) retrieval within DAMIR. This directly supports the Acquisition Visibility Business Enterprise Priority by making data from Air Force's authoritative data source transparently available to DAMIR. (April 2008)
- Upgraded the PoPS methodology to formalize reporting under the Structure Programs for Success Baker's Dozen Initiative with first spiral release within SMART. (June 2008)

Near-Term Plans:

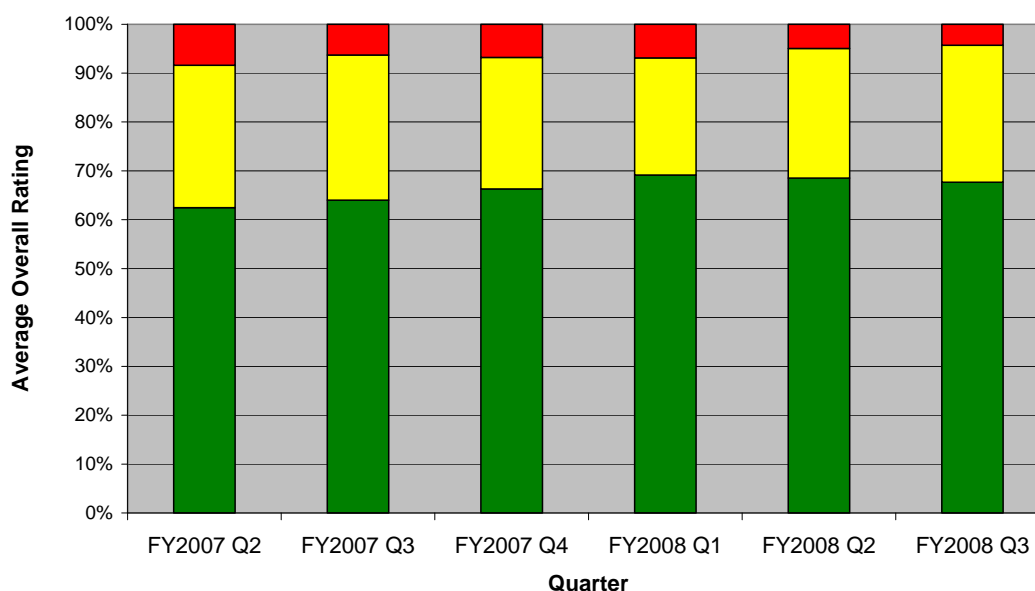
- Building on the SMART/DAMIR capability for Acquisition Category (ACAT) 1 programs to automate the documentation of program baselines for ACAT 2 and 3 programs. (Q3 FY09)
- Standardizing the process by which the Air Force documents source selections and deploying a common automation tool across all product and logistics centers to support that process. (Q1 FY09)

Acquisition Business Systems Environment: To support D&SWS, the Air Force is creating an acquisition business systems environment consisting of a core set of integrated tools and standardized authoritative data. Implementation will enable achievement of a more disciplined and credible acquisition process. Our vision is that all decision makers – at all levels – will have immediate access to current, relevant information. This access supports end-to-end transparency throughout the acquisition process utilizing flexible services and data standards across Air Force acquisition.



Near-Term Plans:

- Prototyping the Acquisition Document and Development Management (ADDM) Capability Improvement Initiative, which will create the capability to manage, assign and track milestone acquisition information. This initiative will create a control center where the program manager can integrate: tailoring decisions, development of content and documents, task assignments, enterprise workflows, automated status tracking and reporting. (Q3 FY09)
- Deploying Integrated Budget Documentation and Execution System II to automate business processes used to support Air Force budget development and funds distribution cycles of Planning, Programming, Budgeting and Execution (PPBE) System for investment accounts. It will produce published Congressional investment budget justification documentation and program authorizations for execution funding. Deployment of budget portion scheduled for April 2009, in time for 2011 President's Budget Request (PBR) Cycle and funds distribution portion for September 2009, in time for distribution of FY10. (Q3 and Q4 FY09)

Metric: Acquisition Program Health**Figure 7-8: Air Force Acquisition Portfolio Health**

Assessment of overall health of major acquisition programs (non-Space) shows trends in the health of the Air Force's portfolio of major acquisition programs based on factors related to cost, schedule, performance and funding. Metrics are reported monthly and this metric represents an average over the quarter. This metric shows the overall health of the portfolio to be stable. The Air Force's goal is that 95% of the programs be green by 2012. Improvements in access to information for key decision makers and standardization of key processes should contribute to an increase in this metric.



Air Force Programs

Air Force Financial Improvement Plan (AF FIP) (Supports Priority 6)**Description**

The implementation of the Air Force FIP Action Plan and the Financial Improvement and Audit Readiness (FIAR) Plan will provide quality financial information and enable effective business decisions. The Air Force FIP Action Plan identifies the steps each organizational element must take to fully integrate all financial and non-financial processes and systems into a Chief Financial Officer (CFO)-compliant environment that impact or involve Air Force fiscal resources.

Approach

The Accountability and Financial Management Integrated Process Team (A&FM IPT) serves as the focal point for task completion and feeder system compliance. Additionally, the Executive Steering Committee monitors the Air Force FIP Action Plan and takes necessary action to ensure its successful implementation, which includes (but is not limited to) establishing priorities for competing tasks and committing resources needed to accomplish the tasks. Finally, several business rules were developed and are modified as needed to ensure consistency among all organizations involved in the Action Plan.

Benefits

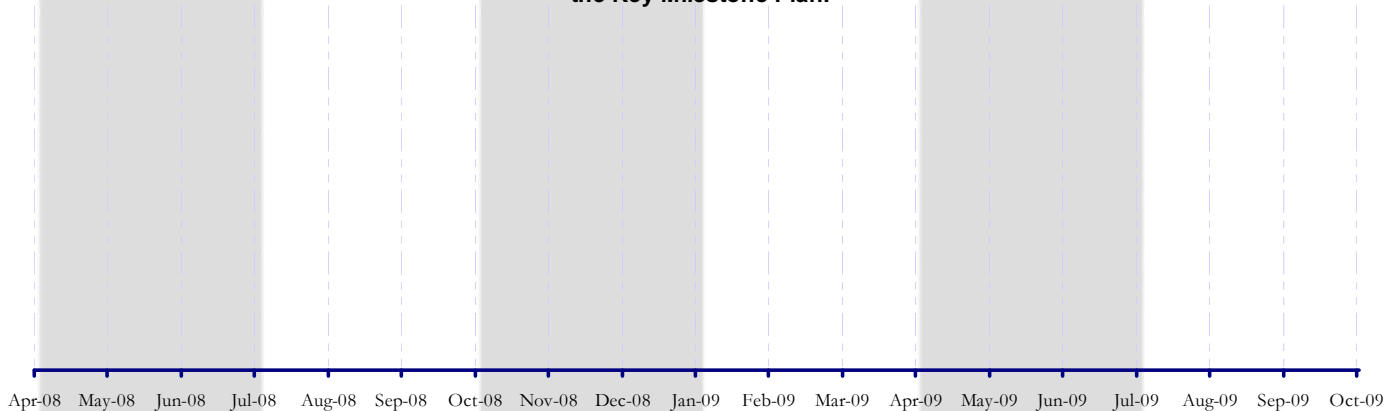
Financial transparency requires the Air Force have processes and procedures in place that ensure data is accurately collected at the source, flows effectively and efficiently through to reporting systems and analytical tools and is free from errors.

The Air Force FIP is the Air Force's road map toward financial transparency. The Air Force's move toward financial transparency is a key component of the Department of Defense (DoD) FIAR Plan. The FIAR Plan is a financial management improvement plan that aims to improve DoD financial health.

Successful completion of the Air Force FIP Action Plan and the FIAR Plan will provide quality financial information and enable effective business decisions. The Air Force FIP Action Plan continues our ongoing commitment to ensure the absolute highest level of stewardship of the taxpayers' investments in the Air Force.

Timeline Diagram

Program has no active milestones within time horizon. For a complete listing of milestones, refer to the Key Milestone Plan.



Initiatives Do Not Include Legacy Migrations



Air Force Financial Improvement Plan (AF FIP)**AF FIP FY07-FY09 Budget Summary and Details**

This program is not discretely funded in the 2009 President's Budget Congressional Budget Exhibit.

Accomplishments/Capabilities Delivered:

- Established a sampling methodology and identified the asset universe necessary to conduct a physical inventory of Air Force assets maintained at the Defense Logistics Agency (DLA) sites in December 2007.
- Developed and published policy that standardizes the reporting of cost information for Operation, Maintenance and Support-Drones, Cruise Missile Engines and Missile Motors assets on financial statements in December 2007.
- Issued the Air Force's first comprehensive policy for identifying and estimating environmental liabilities in December 2007. This policy covers all aspects applicable to Base Realignment and Closure (BRAC), Installation Restoration Program, Building Demolition and Debris Removal Program, Military Munitions Response Program, Environmental Corrective Action and Environmental Closure Requirements. This policy serves as the foundation for compliance for the entire financial statement line and establishes requirements for the functional community
- Estimated the environmental requirements for BRAC (\$1.4B), the Military Munitions Response Program (\$3.5M) and the Environmental Corrective Action and Closure Requirements (\$9.9M) in December 2007.
- Implemented tighter General Property system controls to improve audit trails, separation of duties and interface standards. Improvements also corrected trading partner transfers, capital lease recognition, donated asset recognition and capitalization of equipment enhancement costs and resulted in the ability to revise incorrect acquisition cost data and greater accounting compliance in December 2007.

Near-Term Plans:

- Remodel the Air Force Financial Improvement Plan (AF FIP) and subsequent Key Milestone Plans to align to the revised audit strategy based on the FIAR Plan end-to-end business processes by September 2008.



Air Force Recruiting Information Support System (AFRISS) (Supports Priority 4)**Description**

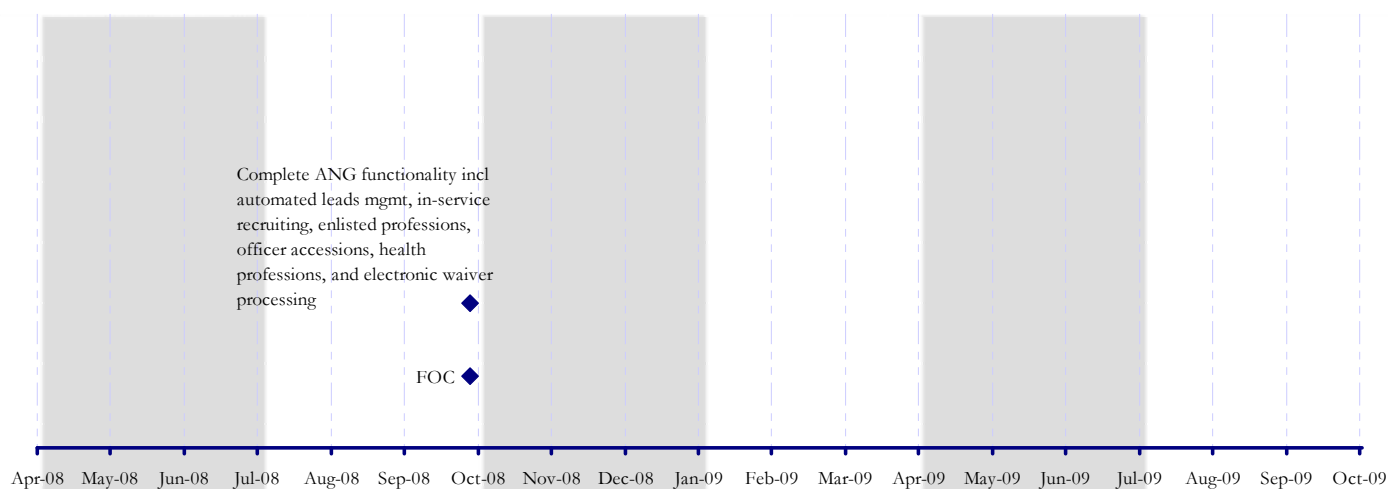
AFRISS records all Air Force non-commissioned Airmen recruiting actions as well as officer accessions for health professions and chaplains. It is used for all personnel management functions, recruiting, job assignment, flow and trend analysis and congressional inquiries. Legislative drivers for AFRISS include Congressional inquiries, mandates, changes in law, military pay interface; Air Force manpower reductions, personnel policy changes, new initiatives.

Approach

The future AFRISS environment includes the principal users of the system which represent all three Air Force components—Active Duty, Air National Guard (ANG) and the Air Force Reserve. Basic business processes are not expected to deviate from the overlapping management disciplines. Components will be able to increase recruiting process efficiencies by leveraging the use of applicant data through data sharing. The modernized AFRISS will support additional devices for the recruiting community to interface with the system, e.g., Personal Data Assistant (PDA), Notebooks, etc.. The infrastructure will support separate databases that facilitate the use of industry standard tools for maintenance and queries. Additionally, the user interface will be updated to be more intuitive to reduce the time it takes to make a recruiter effective using the system. Offline processing for recruiters should be seamless as the recruiters go from connected to disconnected modes without any loss of data.

Benefits

Improved performance with software upgrades enable faster, more efficient data flow. Total Force cooperation is enhanced with an interface with the Reserve recruiting system.

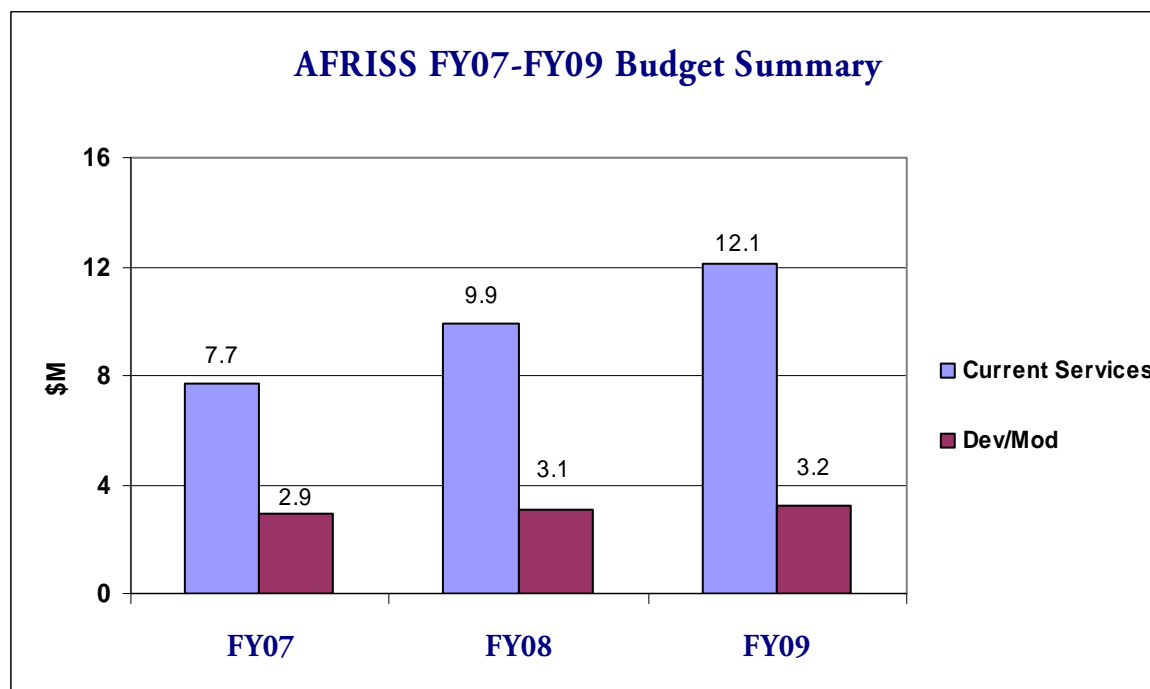
Timeline Diagram

No Legacy Systems Identified



Air Force Recruiting Information Support System (AFRISS)

AFRISS FY07-FY09 Budget Summary and Details



Near-Term Plans:

- Upgrade database engine
 - Will vastly improve data throughput between the application modules and the database structure. Estimated Completion Date (ECD): (Q1 FY09)
- Acquisition
 - Upgrade infrastructure hardware nearing end-of-lifecycle vendor support.
 - New hardware, coupled with database upgrade. ECD: (Q4 FY09)
- AFRISS Anywhere - front end application to AFRISS allows applicants to input their personal data into AFRISS
 - Saves recruiter time and effort from manually inputting applicant data into AFRISS.
 - An upgrade to the current accession data collection application currently implemented in AFRISS.
 - This process will allow applicants to input data from anywhere and allow recruiters to review data from anywhere. ECD: (Q1 FY09)
- Implement Cost Based Analyzer
 - Allows for efficient systems management of AFRISS. ECD: (Q1 FY09)



Defense Enterprise Accounting and Management System - Air Force (DEAMS-AF) (Supports Priority 6)**Description**

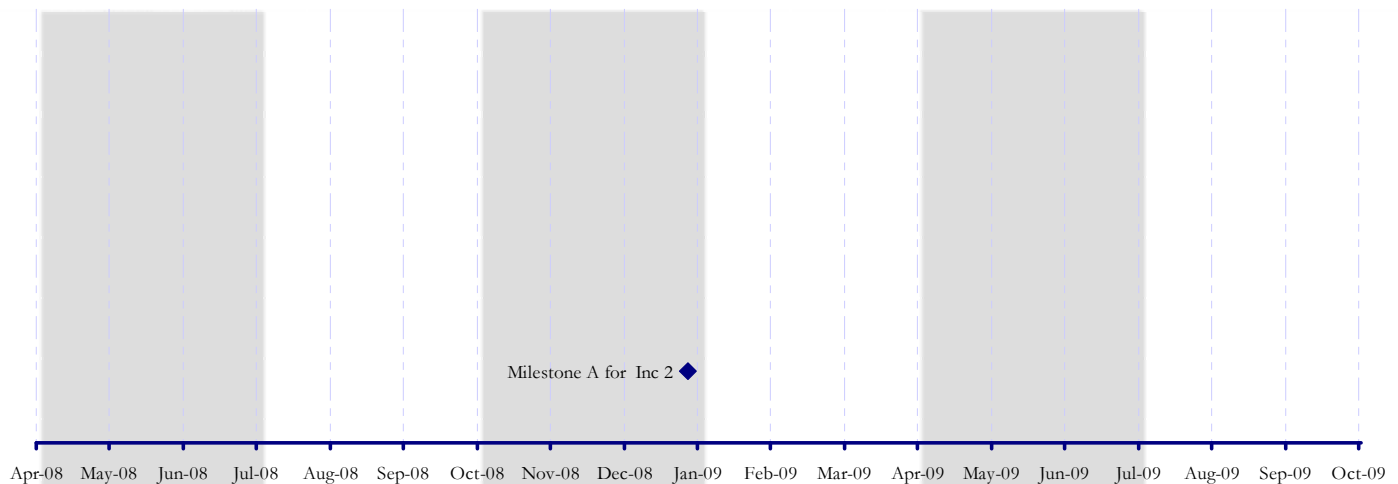
DEAMS replaces legacy systems with financial accounting software (general ledger, accounts payable, accounts receivable, financial reporting, billing, etc.). DEAMS will use a Joint Financial Management Improvement Program (JFMIP)/Financial Systems Integration Office (FSIO) certified Commercial Off-the-Shelf (COTS) software package as its core system software and will conform to requirements promulgated by the Office of Management and Budget (OMB), Chief Financial Officers (CFO) Act, Government Performance and Results Act (GPRA), Government Management Reform Act (GMRA), Federal Financial Management Improvement Act (FFMIA), the Business Enterprise Architecture and other related laws, regulations and policies.

Approach

DEAMS will be implemented using an incremental approach, deploying several versions over several years. Increment One, Spirals 1 and 2 - DEAMS will be implemented for USTRANSCOM, Air Mobility Command operations and tenant organizations located at Scott Air Force Base (AFB). Increment One, Spiral 3—the remainder of Air Mobility Command, Surface Deployment and Distribution Command and Military Sealift Command. Increment Two—the remainder of the Air Force.

Benefits

DEAMS will deliver timely, accurate and reliable financial information to support effective business decisions by DoD managers in the execution of their duties. When fully implemented, DEAMS will comply with all CFO Act, Standard Financial Information Structure (SFIS) and Government Management Reform Act requirements, promote development of DoD-wide financial management solutions and processes and improve financial visibility.

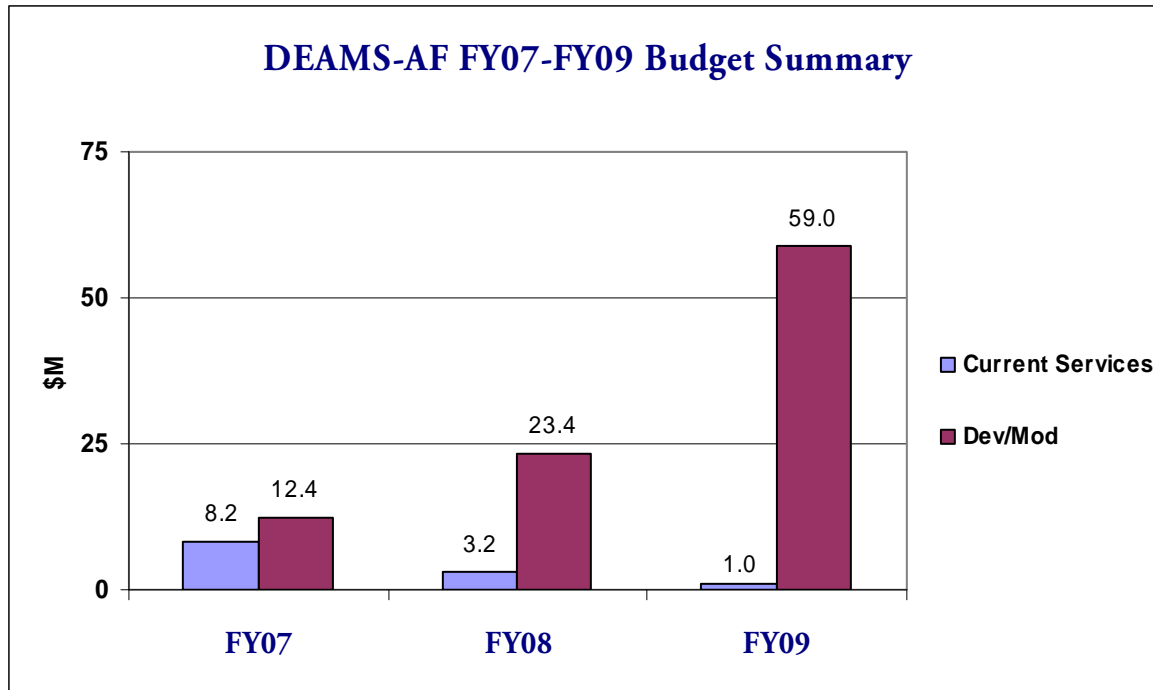
Timeline Diagram**Legacy System Term Date**

BARS	Mar-15
GAFS-R	Mar-15
ABSS	Mar-15
IAPS	TBD



Defense Enterprise Accounting and Management System - Air Force (DEAMS-AF)

DEAMS-AF FY07-FY09 Budget Summary and Details

**Accomplishments/Capabilities Delivered:**

- The documentation used to meet the Milestone A decision has been prepared.
- DEAMS Spiral 2 Functional design completed in May 2008. Functional design baselined the Oracle configuration, reports, interfaces, conversions and extensions design and communicated any changes to the DEAMS architecture since system requirements review. This established a design baseline for technical design.
- DEAMS Spiral 2 Technical Design completed in August 2008. Technical design ensured all documented DEAMS requirements were covered and that system design is sound and compatible with GCSS-AF.

Near-Term Plans:

- Achieve DEAMS Increment 2 Milestone A in December 2008. This will allow the release of the Request for Proposal and Source selection.
- Award DEAMS Increment 2 contract October 2009. This will allow the selected systems integrator to start DEAMS Spiral 4 Blueprinting. Blueprinting identifies the Reports, Interfaces, Conversions and Extensions (RICE) objects that will have to be developed to fill the gaps between the 'out of the box' COTS software and the software, which end-users need to complete the mission.



Enterprise Business System (EBS) (Supports Priorities 5 and 8)**Description**

EBS is the Air Force Research Laboratory's (AFRL) system for transforming its business processes and enabling technology to provide faster technology transition to the warfighter. EBS will give AFRL the capability to collect, process and disseminate timely, accurate information and place it in the hands of appropriate decision makers. This investment directly supports the AFRL mission of leading the discovery, development and integration of affordable warfighting technologies for our air and space force by focusing on faster technology transfer, horizontal integration, enterprise-wide capabilities and transformation of the entire laboratory.

Approach

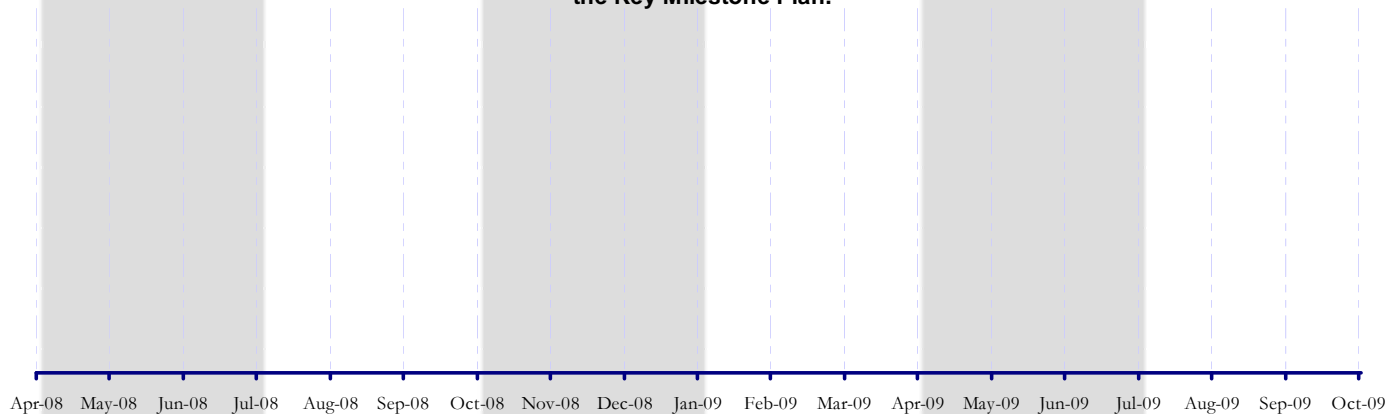
This investment includes transformation through the development of an enhanced, horizontally-integrated replacement, the AFRL EBS. The approach is to establish common enterprise-level business practices, data definitions and enabling tools across all AFRL business processes and locations. These support systems enable AFRL to manage its primary Science and Technology (S&T) mission and comply with statutory requirements.

Benefits

AFRL EBS is part of the AFRL transformation, which modernizes/enhances the S&T portion of the Acquisition Domain.

Timeline Diagram

Program has no active milestones within time horizon. For a complete listing of milestones, refer to the Key Milestone Plan.

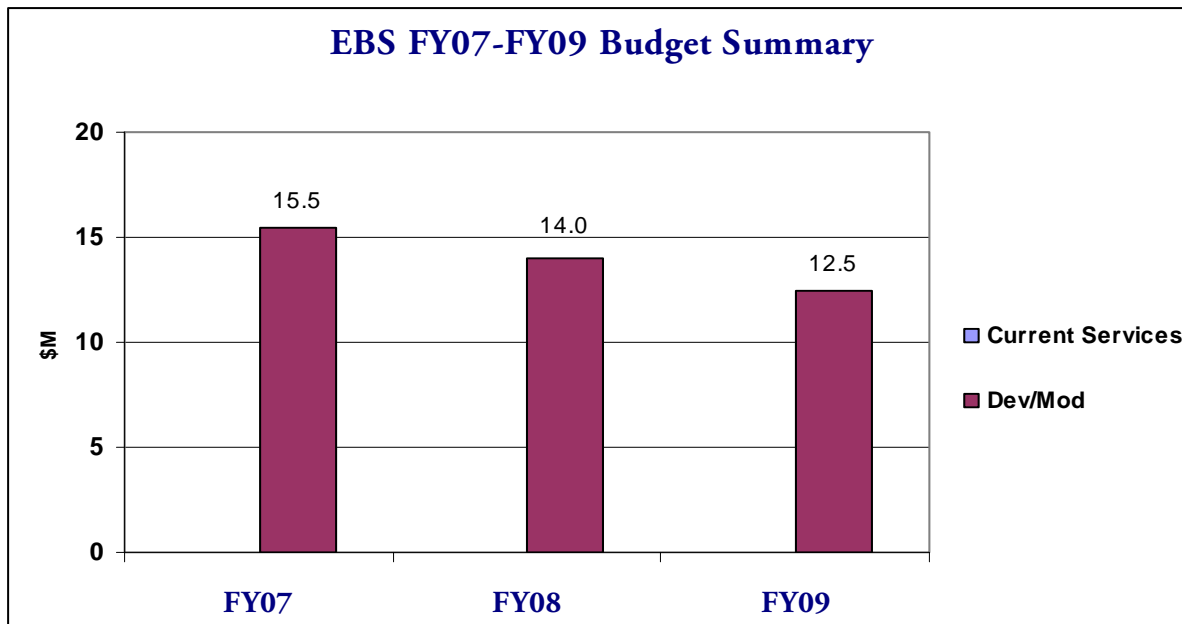


Legacy System	Term Date	Legacy System	Term Date	Legacy System	Term Date
WPP	Apr-05	WARFIGHTER	Oct-08	DTTIS	Sep-13
TECHWEB	Mar-06	PUBLICATIONS	Sep-09	HWIS	Sep-13
HE-PERS	Mar-06	OZ-SBIR	Sep-09	JIFFY	Sep-13
MENTORING	Jun-06	APDP TRACKING	Sep-11	CONTRAK	TBD
PTI	Jul-06	WURMS	Sep-11	TRTS	TBD
RCDB	Jul-06	C2S2	Sep-13		
G2	Oct-08	DIDS	Sep-13		



Enterprise Business System (EBS)

EBS FY07-FY09 Budget Summary and Details



No Current Services funding budgeted for FY07-FY09.

The decrease in Dev/Mod funding over the next few fiscal years is due to planned changes in the EBS development cycle as the program approaches Full Operational Capability (FOC).

Accomplishments/Capabilities Delivered:

- Completed Financial Manage Tool, General Accounting and Finance System 2 (G2) re-hosting in Q1 FY08. G2 provides the ability to identify standard system transactional errors through validation of original Air Force Research Laboratory (AFRL) transactions and correction back to the accounting system of record. G2 enables AFRL to measure, correct and ensure accurate accounting records are in place for the migration to Defense Enterprise Accounting System (DEAMS).
- Completed Scientific and Technical Enterprise System (STES) Integration IOC in Q2 FY08. The STES interface is a critical link between EBS and the Science and Technical Information (STINFO) data within AFRL.

Near-Term Plans:

- The G2 modernization effort is scheduled for delivery in Q4 FY08. The G2 user interface will be redeveloped to be web capable and accessible through the Air Force Portal. The G2 modernization (G2M) capability will be key to successful migration of accurate financial data to new DoD financial management systems. Upon successful migration, AFRL will determine whether G2M will represent a set of requirements for the Data Quality Service to satisfy, or if the Data Quality Service financial transaction integrity will eliminate the requirement to continually reconcile financial transactions across system interfaces.
- Introduction of the application in support of the project and portfolio management capability is planned for Q1 FY09.
- The Warfighter System migration effort, which is based on the project and portfolio management application, is planned for Q1 FY09.
- The FOC for the STES Integration effort is planned for Q2 FY11.
- The FOC for the integrated project and portfolio management capability is planned for Q4 FY11.



Expeditionary Combat Support System (ECSS) (Supports Priorities 1, 6 and 8)**Description**

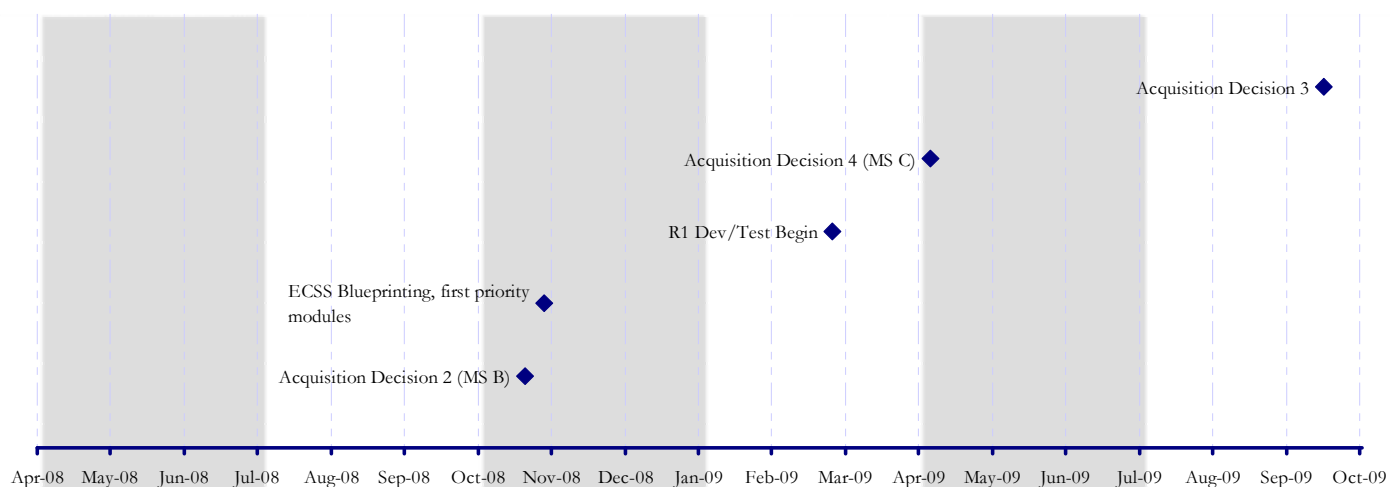
ECSS delivers the Air Force Logistics Domain's Information Technology enabler to sustain the force. ECSS improves warfighter capability by transforming Air Force Logistics business processes. The ECSS will be composed of a Commercial Off-the-Shelf (COTS) Enterprise Resource Planning (ERP) application and other potential COTS solutions that will replace approximately 240 wholesale and retail legacy logistics and procurement (acquisition) Information Technology (IT) systems. Use of ERP/COTS products will provide the warfighter and Air Force Enterprise in general, with DoD and industry best business practices and capabilities, at all Air Force Enterprise echelons in areas of product support and engineering, supply chain management, expeditionary logistics command and control, acquisition and procurement and maintenance, repair and overhaul. ECSS will be compliant with the Joint Technical Architecture (JTA) and Business Enterprise Architecture (BEA), will meet Chief Financial Officer (CFO) Act and Joint Financial Management Improvement Program (JFMIP) requirements, will implement SFIS and DLMS standards and will reside on the Global Combat Support System-Air Force (GCSS-AF) Integration Framework (IF).

Approach

Transformation of logistics processes and replacement of legacy systems through the implementation of a COTS ERP solution. Core functionality will be provided by COTS ERP software and a systems integrator to implement the system and transform the logistics portfolio.

Benefits

- 1) Improvement in the synchronization of operations/logistics planning and execution,
- 2) Improving command and control,
- 3) Providing near real-time worldwide visibility of assets and
- 4) Facilitating updated best business practices.

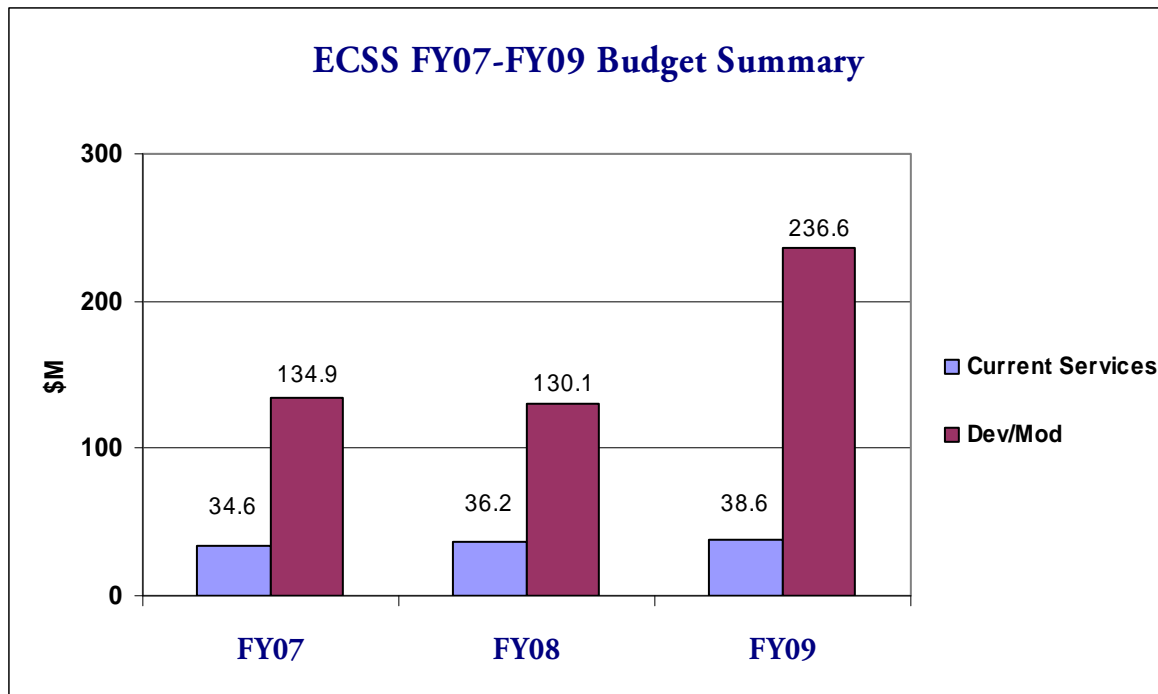
Timeline Diagram

Legacy System Term Date		Legacy System Term Date	
1 System	Jan-04	60 Systems	Sep-14
4 Systems	Apr-08	6 Systems	TBD
1 System	May-08		
2 Systems	Sep-10		
4 Systems	Sep-11		
9 Systems	Sep-12		
132 Systems	Sep-13		



Expeditionary Combat Support System (ECSS)

ECSS FY07-FY09 Budget Summary and Details



The funding level is sufficient to support planned objective of Increment 1 configuration in FY09.

The increased Dev/Mod funding from FY08 to FY09 is due to the natural progression of the acquisition program from process area blue-printing to configuration of the COTS product.

The FY10 POM corrects significant shortfalls to the program due to protest delays and budget reductions. Impact of not fully funding will result in a delayed milestone acquisition decision and capability to the warfighter. Continuation of legacy systems costs \$32M a month.

Accomplishments/Capabilities Delivered:

- Completed process area blueprinting the end of September 2008. Process area blueprinting maps the business process requirements to the COTS application and allows the system integrator to configure the software and to know what Reports, Interfaces, Conversions and Extensions (RICE) objects will be designed.
- Enterprise-Level Blueprinting of high-level supply chain processes and Process Area Blueprinting to resolve processes in greater detail was completed in June 2008 in preparation for ECSS design.

Near-Term Plans:

- Following Acquisition Decision 2 (AD2) in October 2008, the COTS product will be configured (October 2008 to March 2009) to satisfy the SCM process requirements documented during ECSS Blueprinting.
- Development and Test of ECSS Release 1 will begin in March 2009 and will continue to May 2010. The Standard Financial Information Structure (SFIS) is the standard vocabulary for financial transactions/data across the Department of Defense (DoD) as well as the federal government. ECSS will implement SFIS standards with Release 1.



Enterprise Environmental Safety and Occupational Health Management Information System (EESOH-MIS) (Supports Priorities 1, 2, 4, 6, 7 and 8)

Description

EESOH-MIS supports base-level and higher Headquarters Civil Engineer (CE) in day-to-day operations of environmental systems and environmental compliance. It provides direct CE environment management support to active Air Force, Air National Guard (ANG) and Air Force Reserve, in garrison and expeditionary settings as well as the capability for automated coordination with Safety and Occupational Health communities. The system currently includes management of Hazardous Materials, Hazardous Waste and Cleanup. It will eventually include the capabilities to manage Water, Air Quality, Natural Resources and Cultural Resources.

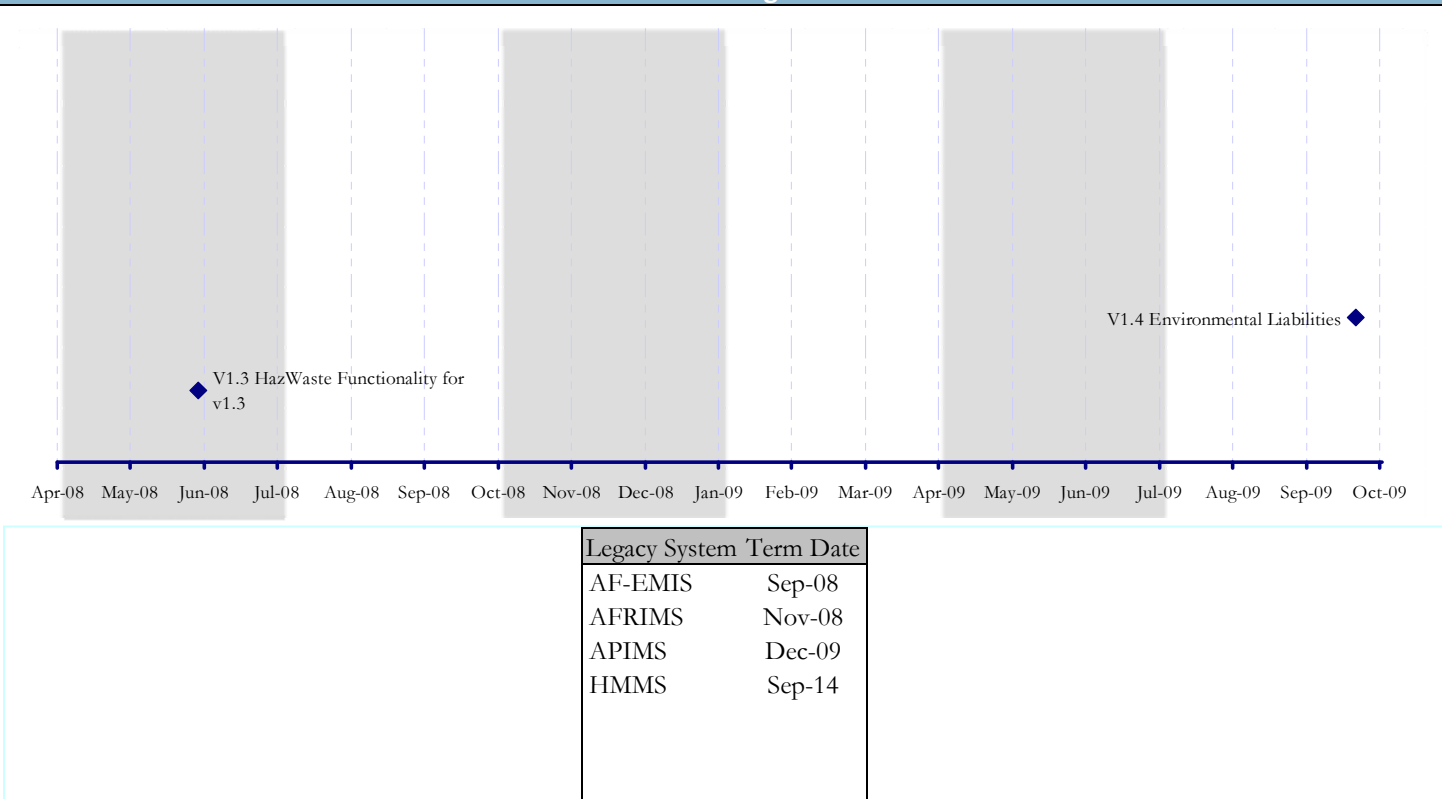
Approach

EESOH-MIS is an enterprise, web-architected relational database system designed to eventually replace independent stove-piped systems created in several different development environments, ranging from client-server applications to Microsoft Access databases. It will support base-level and headquarters CE functions in day-to-day operations of environmental systems and environmental compliance, in garrison and expeditionary locations. Interfacing with other systems, it will represent a single enterprise application hosted on the Global Combat Support System-Air Force (GCSS-AF) framework.

Benefits

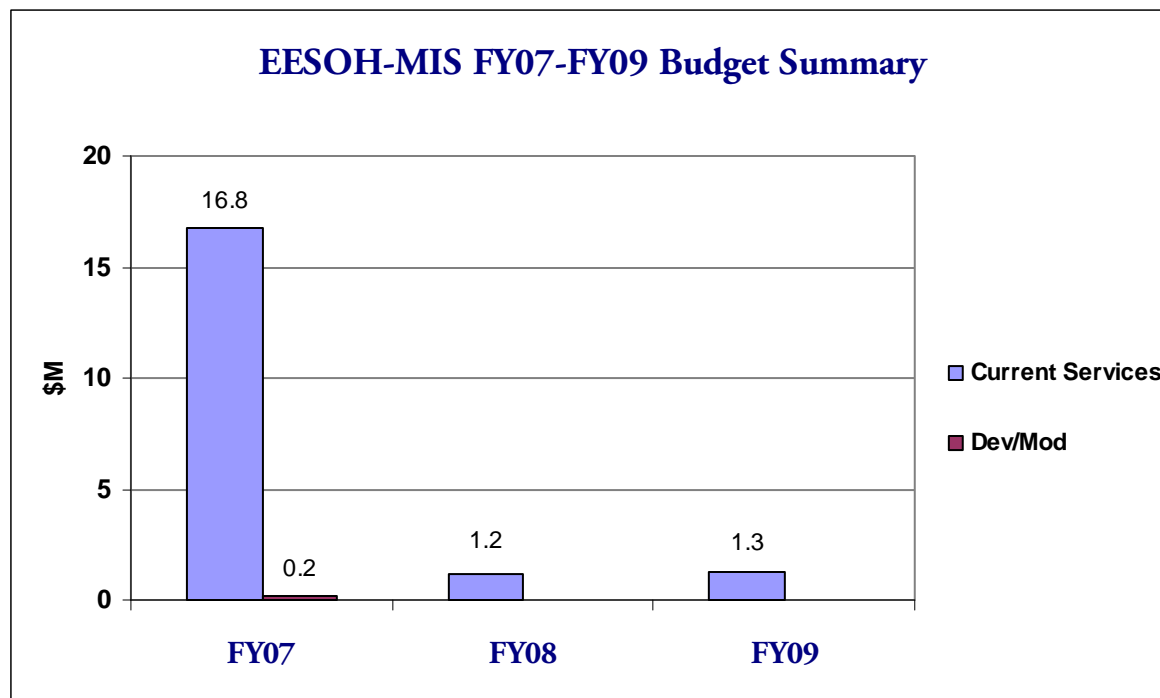
EESOH-MIS will enable standardized business processes and provide an enterprise-wide approach for managing environmental liabilities. It supports cradle-to-grave data tracking and reporting at shop level in a process-centric, menu-driven, web-architected, upward management tool. EESOH-MIS will integrate multiple environmental, reporting and tracking systems, including Hazardous Materials (HazMat), Hazardous Waste (HazWaste), Air Quality and other ESOH-related systems. When fully implemented, HazMat will replace Air Force Environmental Management Information System (AF-EMIS) and Hazardous Materials Management System (HMMS); Cleanup will replace Air Force Restoration Information Management System (AFRIMS).

Timeline Diagram



Enterprise Environmental Safety and Occupational Health Management Information System (EESOH-MIS)

EESOH-MIS FY07-FY09 Budget Summary and Details



No Dev/Mod funding budgeted for FY08-FY09.

The \$1.2M for FY08 and \$1.3M for FY09 are the centrally funded portions of EESOH-MIS. Since EESOH-MIS supports multiple communities of interest, a fair share strategy was used to provide for the remaining funding required to execute the program. As such Major Command (MAJCOMs) combined fair share was \$15M, the Clean-up communities of interest contributed \$1.4M and the hazardous material communities of interest provided \$100,000. In FY10, the program will be entirely centrally funded.

Accomplishments/Capabilities Delivered:

- Enabled hazardous materials, hazardous waste and clean-up capabilities within GCSS-AF framework. Capability provides an enterprise solution for managing environmental processes and includes automated coordination with safety and occupational health communities. First service to develop an Office of the Secretary of Defense (OSD) approved Environmental Liabilities (EL) initiative plan to implement OSD transformation requirements.

Near-Term Plans:

- Implement a Commercial Off-the-Shelf (COTS) solution to provide for enterprise management for real estate inventory, acceptance and transactions. It will also provide capability to enable space management to incorporate industry standards for space measurement and allocation to reduce the required facility footprint.
- Purchase air quality capability COTS in FY09.
- Start development and modernization effort to implement EL capability, to implement OSD transformation initiative.



Financial Information Resource System (FIRST) (Supports Priorities 5 and 6)**Description**

FIRST provides an integrated, modern, seamless financial management system that enables authorized users (from Air Staff to base level) to plan and program their budgets.

Approach

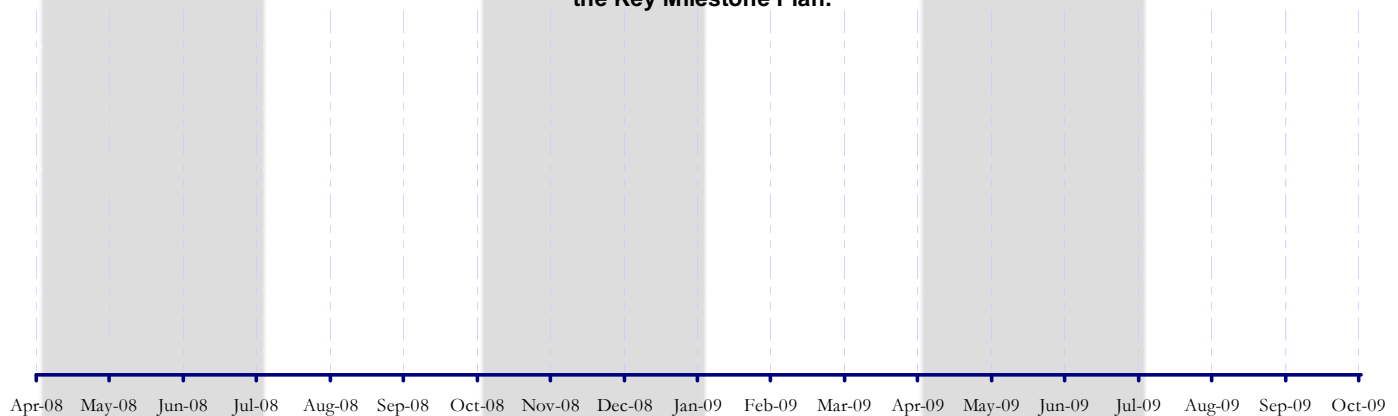
Leveraging the delivery of Budget Formulation Spiral 2/Spiral 3 (BF S2/S3) in February 2008, the next steps for the program are to provide capability for Force Structure Data Management (FSDM) attrition modeling, FSDM historical data load, FSDM aircraft allocation, flying hour mass updates, alter current prior year amount fields and enable screening of active exercises from Major Command (MAJCOM) Users/Masking of Headquarters Air Force (HAF) Intermediate Level Organizations (ILOs) for historical and final FIRST exercises. In addition, this effort will provide for an automated Manpower Programming and Execution System (MPES) that allows users to automatically populate end strengths for an exercise, convert end strengths to work years, determine manpower dollars (work years x composite rate) and store work years and manpower dollars back in the database. Finally, provide users with a workflow capability for funding lines and deliberations presentation capability and add "Current Decision" Status to Decision Tracker Display.

Benefits

FIRST is a Commercial Off-the-Shelf (COTS)-based software development effort that will provide an integrated, modern, seamless financial management system that enables authorized users (from Air Staff to base level) to plan and program their budgets. FIRST supports the Air Force Core Competency for Integrating Operations through Agile Combat Support. FIRST is ultimately envisioned to be the foundation for the Air Force's Planning, Programming, Budgeting and Execution (PPBE) system.

Timeline Diagram

Program has no active milestones within time horizon. For a complete listing of milestones, refer to the Key Milestone Plan.

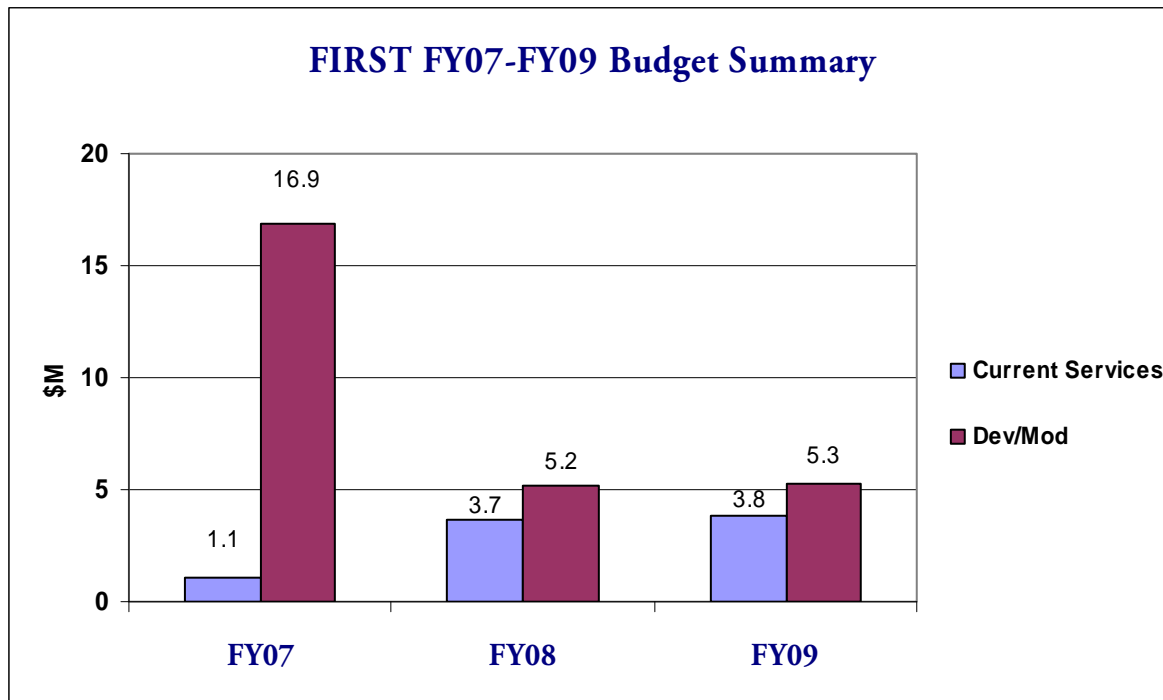


Legacy System Term Date	
MICROBAS	Oct-05



Financial Information Resource System (FIRST)

FIRST FY07-FY09 Budget Summary and Details

**Accomplishments/Capabilities Delivered:**

- Completed Budget Formulation (BF) S2/S3 production ready delivery in February 2008. This capability provides for minimal civilian personnel, military personnel and flying hour cost modeling, interfaces to/from related systems and electronic submission of budget exhibits to Office of the Secretary of Defense (OSD).
- Operational Test Report completed June 2008.

Near-Term Plans:

- Complete the next modernization to provide capability for Force Structure Data Management (FSDM) attrition modeling, FSDM historical data load, FSDM aircraft allocation, Flying Hour mass updates and enable screening of active exercises from MAJCOM Users/Masking of Headquarters Air Force (HAF) ILOs for historical and final FIRST exercises. In addition, the modernization will provide for an automated MPES allowing users to automatically populate end strengths for an exercise, convert end strengths to work years, determine manpower dollars (work years x composite rate) and store work years and manpower dollars back in the database. Expect operational test of the modernization to be complete in February 2010.



Financial Management Service Delivery Model (FM SDM) (Supports Priorities 4 and 5)**Description**

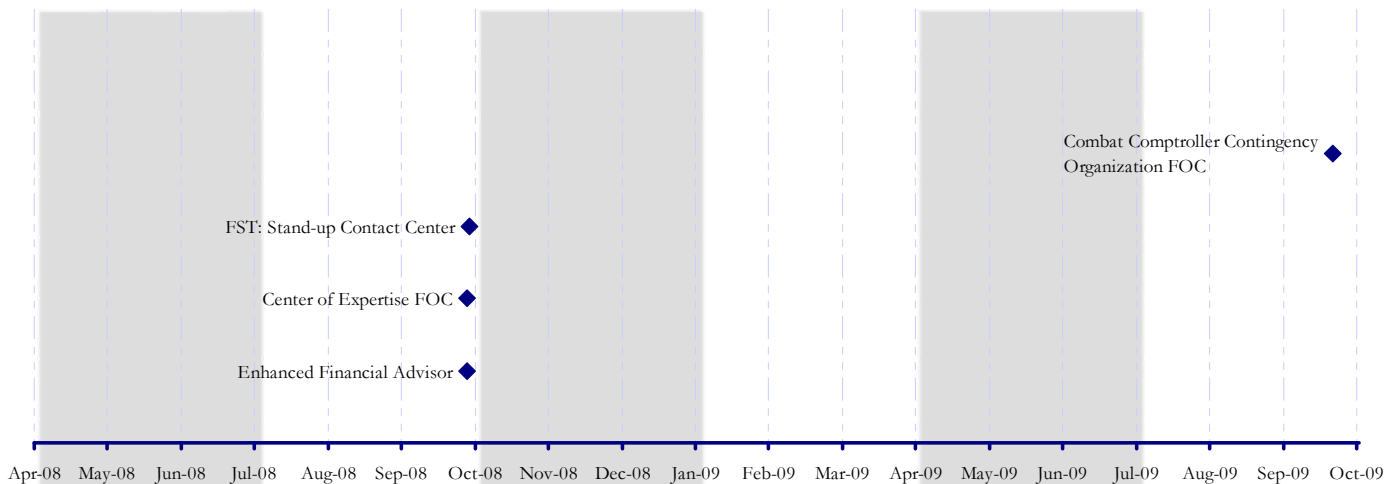
FM SDM transforms the delivery of Air Force Financial Management by moving from direct on-base support to web-based and contact center based financial services, which will substantially reduce the manpower used in financial services. This initiative also provides enhanced decision support to Commanders and is closely linked with the Personnel Service Delivery Transformation.

Approach

Air Force Financial Management transformation is currently leading the way in transforming the way the Air Force conducts all matters financial. Air Force Financial Management (SAF/FM) has implemented a six-pronged approach in the form of six “lanes of transformation.” The specific lanes of this initiative include Financial Service Transformation (FST), Financial Advisor Transformation (FAT), Analytical Capability Transformation (ACT), Education and Training, Budget Transformation Operations (BTO) and Air Force Smart Operations for the 21st Century (AFSO21). Each lane boasts specific realms of expertise and experience to better serve SAF/FM’s transformation efforts.

Benefits

FST lane broadly impacts the entire Air Force and will consolidate back-office financial transaction processes of 93 bases into the Air Force Financial Service Center (AFFSC) at Ellsworth Air Force Base (AFB), South Dakota, beginning October 2007. FAT will provide enhanced decision support tools for individual FM Financial Advisors. Furthermore, FAT will re-align FMA and Authorized Level of Organization (ALO) into teams that can more efficiently assist customers. The ACT team is spearheading the Center of Expertise (CoE) effort that provides analytical capabilities to Base/Major Command (MAJCOM) FMs. A second aspect of the ACT lane is the addition of 50 authorizations within Air Force Mobility Command (AFMC) to augment cost estimating capabilities. Education and Training operates with a crosscutting mindset as it is supporting transformation efforts through the development of enhanced web-based training initiatives AF-wide. The BTO lane is revamping budget processes and systems to shift from data gathering to analysis and decision support. Finally, AFSO21 is aiding transformation efforts through the examining and restructuring of Air Force business processes based primarily around Lean initiatives. Each lane is focused and is actively delivering innovative transformation solutions to our ever-evolving Air Force.

Timeline Diagram

Initiatives Do Not Include Legacy Migrations



Financial Management Service Delivery Model (FM SDM)

FMSDM FY07-FY09 Budget Summary and Details

This program is not discretely funded in the 2009 President's Budget Congressional Budget Exhibit.

Accomplishments/Capabilities Delivered:

- As of June 2008, six MAJCOMs have migrated work to the AFFSC. The end goal is for the AFFSC to perform the processing of military pay and travel documents in a centralized location with a leaner Financial Management (FM) workforce, providing consolidated back-office support to the warfighter.
- Another effort of the FM SDM resulted in the creation of a Financial Management Center of Excellence (CoE). The CoE provides the Air Force with the capability to conduct Service-wide cost management. This effort supports resource allocation decisions by providing Commanders on-demand, specialized financial analysis and decision support (including business case analysis, economic analysis). The CoE reached Full Operational Capability (FOC) as of October 2007. In 2008, the CoE has completed 38 projects. The Air Force is utilizing the CoE to prepare, review and analyze AFSSO21 initiatives that remove non-value add steps to current processes.

Near-Term Plans:

- In early 2009, the Air Force plans to open a contact center to support the AFFSC. The contact center will support the AFFSC in providing financial services support to Air Force personnel worldwide.



NAF Financial Transformation (NAF-T) (Supports Priorities 4, 5 and 6)**Description**

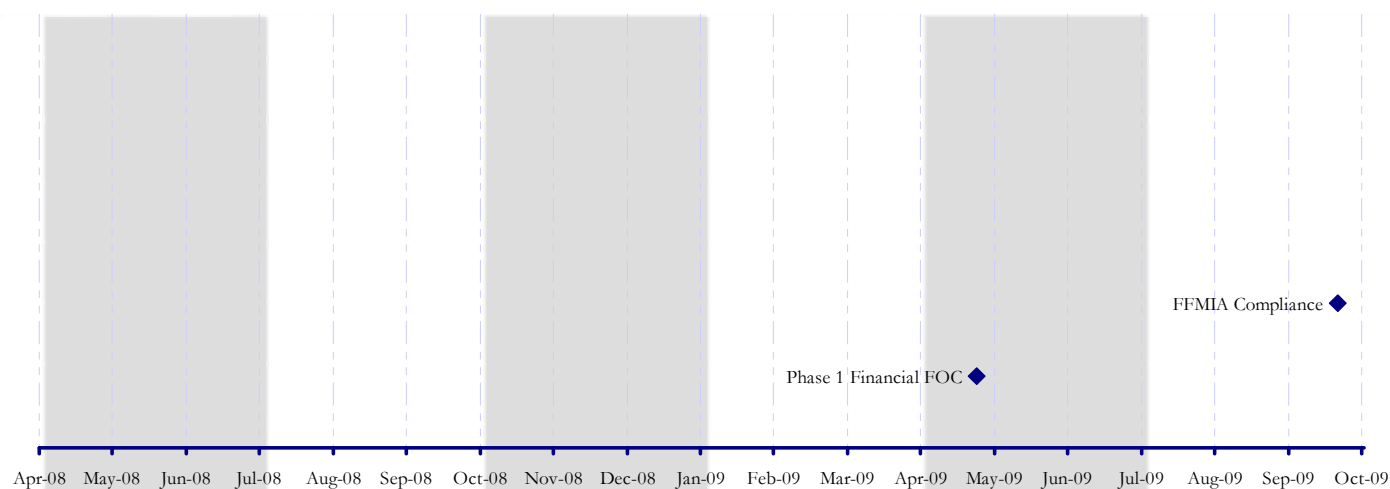
NAF-T is a four-phased, multi-year initiative to improve financial management capabilities and leverage technology to eliminate non-value added business processes. Phase 1 of the NAF-T initiative consists of reengineering business processes, replacing COBOL-based legacy accounting and payroll systems with a COTS solution and the establishment of a shared service center (SSC) to provide global accounting and payroll services. Air Force Services NAF-T effort will significantly reduce the cost of transaction processing, returning APF resources (manpower) toward the recapitalization of other Air Force missions and NAF resources to the installations for quality of life programs. NAF-T will drive standardization of each business process and source documents, resulting in an authoritative financial data source, eliminate existing weaknesses and deficiencies identified in previous NAF audit reports and expand levels of access to an authoritative data source for timely analysis and business decision making when needed.

Approach

Replacement of two legacy NAF systems (accounting and payroll) with COTS enterprise resource planning software solutions, acquisition of standardized point-of-sale (POS) systems (POS Modernization), inventory and acquisition equipment/software for single point of entry for business (Supply Chain Management) operations, re-engineered business processes and centralization of financial transaction processing in a shared service center.

Benefits

The initial phase of nonappropriated fund (NAF) transformation is the modernization of NAF accounting management and payroll. The initial phase has two major goals: replace the 30+ year old legacy accounting/payroll systems and centralize accounting and payroll functions in a Shared Service Center (SSC). The projected savings (estimated at \$11M to \$12M per year) will come from decreased appropriated fund (APF) and NAF personnel costs associated with the standup of the SSC. The overarching long-term objectives are to significantly increase productivity, reduce overhead costs and provide timely financial information for all levels of services management. The first step in this phase was a business process reengineering (BPR) study Headquarters Air Force Services sponsored and conducted by an independent consulting firm.

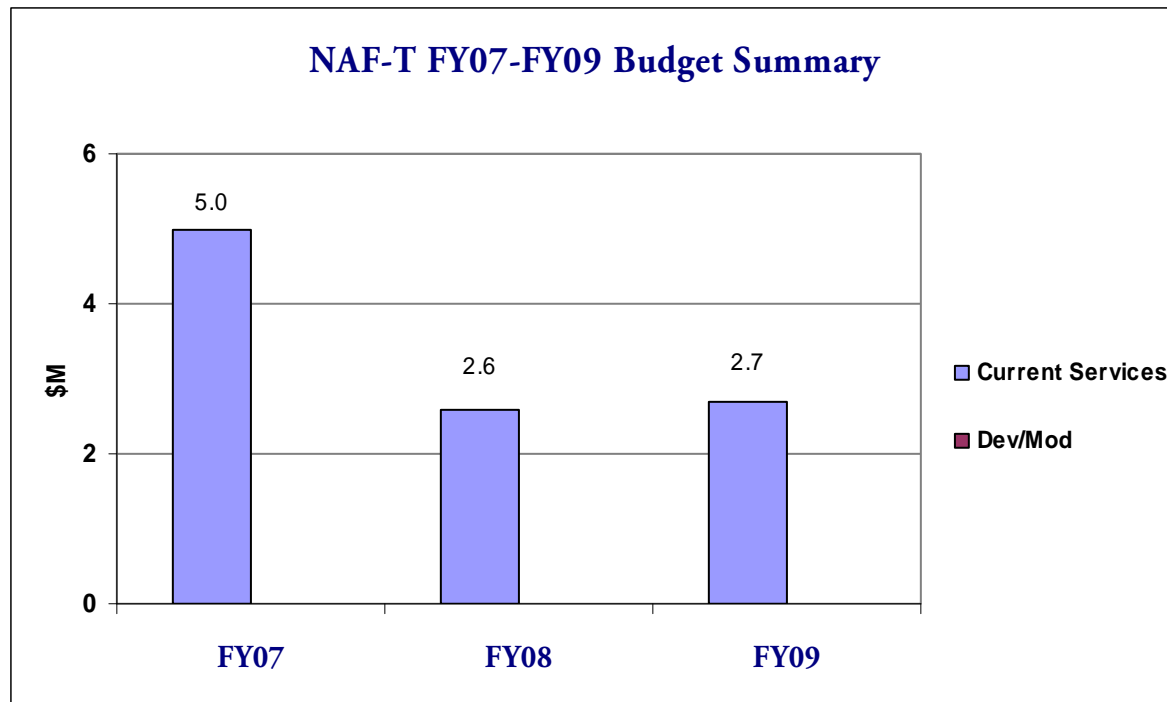
Timeline Diagram**Legacy System Term Date**

NAFMIS	Jun-09
FAS	Sep-13



NAF Financial Transformation (NAF-T)

NAF-T FY07-FY09 Budget Summary and Details



No Dev/Mod funding budgeted for FY07-FY09.

NAF-T is funded by both APF and NAF dollars, based on a 60/40 split with APF at 60%. Phase 1 Dev/Mod has been completed and we are in sustainment supporting the deployments and system.

Phase 1 is now fully funded with the FY09 Amended Program Objective Memorandum (APOM) with exception of FY09 and Phase 2 has been programmed in FY10 and out. When funding is not received for a shortfall, deployment is impacted and if it cannot be done the bases are left to accomplish work that APF manpower has already been taken for and the sunset of the two legacy systems cannot be accomplished.

Accomplishment/Capabilities Delivered:

- Completed the return of 76 APF positions to corporate Air Force for reinvestment at the estimated savings of \$5M in FY08.
- Completed Phase 2 Initial Operating Capability (IOC) March 2008 with initial deployment of the Air Force Services Enterprise Internet Service Provides (EISP) putting a single commercial internet service provider for all of Air Force Services vice the hodge-podge of what is currently out there.
- Fully established the SSC in February 2008 centralizing all of Air Force Services NAF financial and payroll functions as a result of a BPR contract. Centralization will reduce transaction processing costs and drive standardization of each business process and source documents, resulting in an authoritative financial data source, eliminate existing weaknesses and deficiencies identified in previous NAF audit reports and expand levels of access to an authoritative data source for timely analysis and business decision making when needed.

Near-Term Plans:

- Anticipate achievement of Phase 1 final operational capacity (FOC) May 2009 bringing Air Force Services all on the new Air Force Services Financial Management System (AFSFMS) for accounting and payroll processing providing financial visibility ensuring focus on real-time command and control, decision support and predictive analysis.



NAF Financial Transformation (NAF-T)

- Anticipate sun-setting two legacy systems in FY09; Field Accounting System (FAS) and Nonappropriated Management Information System (NAFMIS), used for NAF payroll improving financial management and eliminating non-value added business processes.

System Metrics

Metric: NAF-T Phase I Deployment

Phase 1 has two major goals:

1. Replace the 30+ year old legacy accounting and payroll systems and
2. Centralize accounting and payroll functions in a SSC.

Projected savings with Phase 1 (estimated at \$12M per year) will come from decreased NAF and APF personnel costs associated with the standup of the SSC.

The overarching long-term objectives are to significantly increase productivity, reduce overhead costs and provide timely financial information for all levels of services management.

The Phase I Deployment graph illustrates the Major Commands (MAJCOMS) to which are deployed and the number of installations within the MAJCOMs. It also shows the following four metrics:

1. Deployment of Phase 1 is tracked monthly by MAJCOM by base; Initial Operating Capability (IOC) was met June 1, 2006 and FOC on track to be met May 1, 2009. The goal was set through our Board of Advisors (BOA) and approved by Mr. Myers, Deputy Chief of Staff for Manpower, Personnel and Services, Office of Services (AF/A1S).
 - a. NAF Payroll was accelerated and fully accomplished in March 2008.
2. Stand-up of the SSC was accomplished through a phased ramp with initial manning accomplished in October 2004 and final ramp up in February 2008. Goal was established through our BOA and approved by Mr. Myers, AF/A1S.
3. Return of 76 APF positions to corporate Air Force for reinvestment was laid into the FY06 POM with reach back to FY05; thus FY05 saw nine positions returned, FY06 and FY07 26 positions each and the final 15 in FY08. Goal was established through our BOA and by Mr. Myers, AF/A1S.
4. Overarching long-term goal will be met when all four phases of NAF-T are accomplished. Estimated completion date is October 2015. Goal set through our BOA and approved by Mr. Myers, AF/A1S.



NAF Financial Transformation (NAF-T)

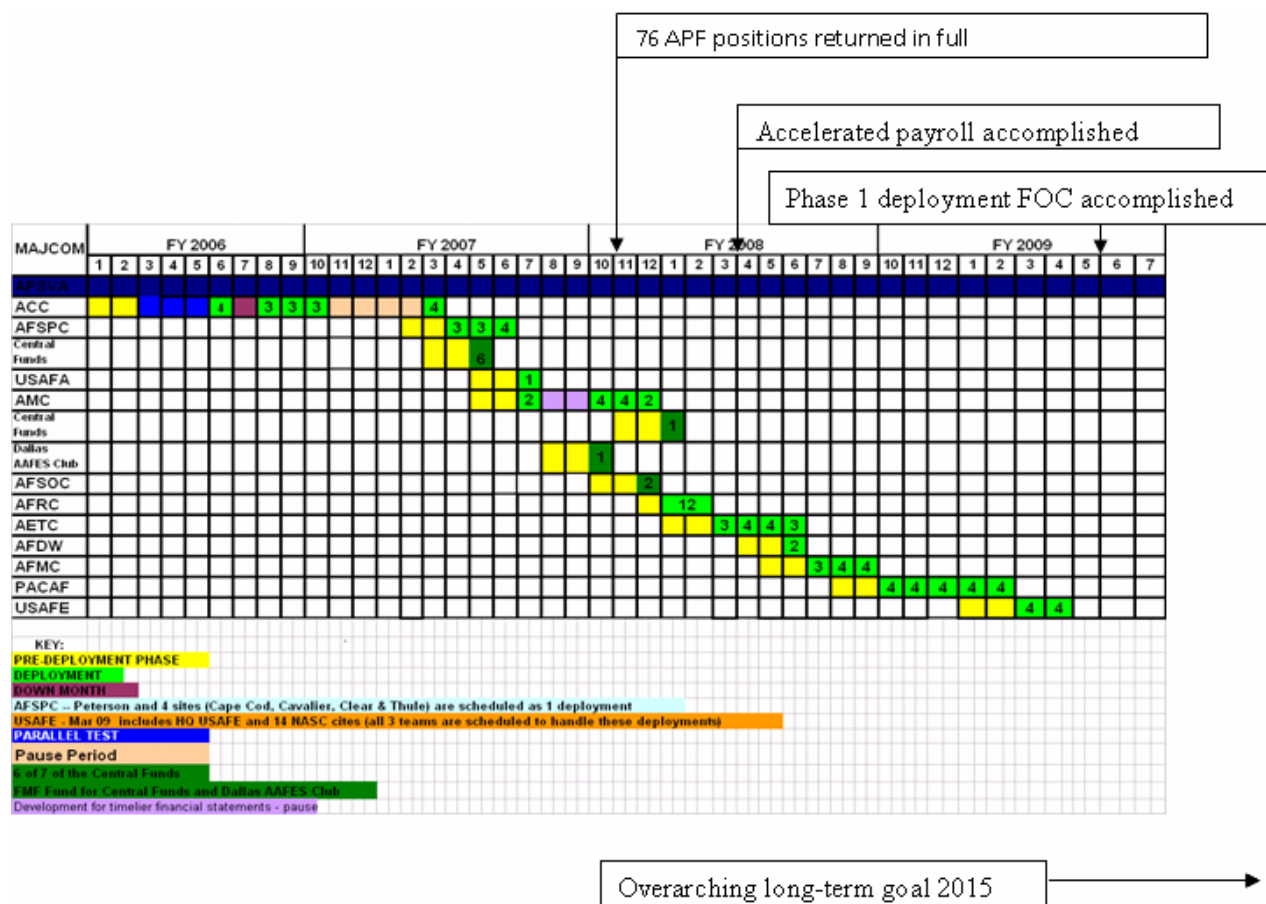


Figure 7-9: NAF-T Phase One Deployment

Personnel Service Delivery (PSD) (Supports Priorities 4 and 5)

Description

Initiative dramatically modernizes the processes, organizations and technologies through which the Air Force supports its Airmen and their Commanders. Goal is to deliver higher-quality personnel services with greater access, speed, accuracy, reliability and efficiency. The key enablers are maximizing automation and self-service, centralizing work in Total Force Service Centers and realigning the role of strategic advisors. PSD transforms the delivery of personnel services in the military and civilian areas. It moves from direct on-base support to web-based and call center based services and substantially reduces manpower needed to deliver high quality personnel services.

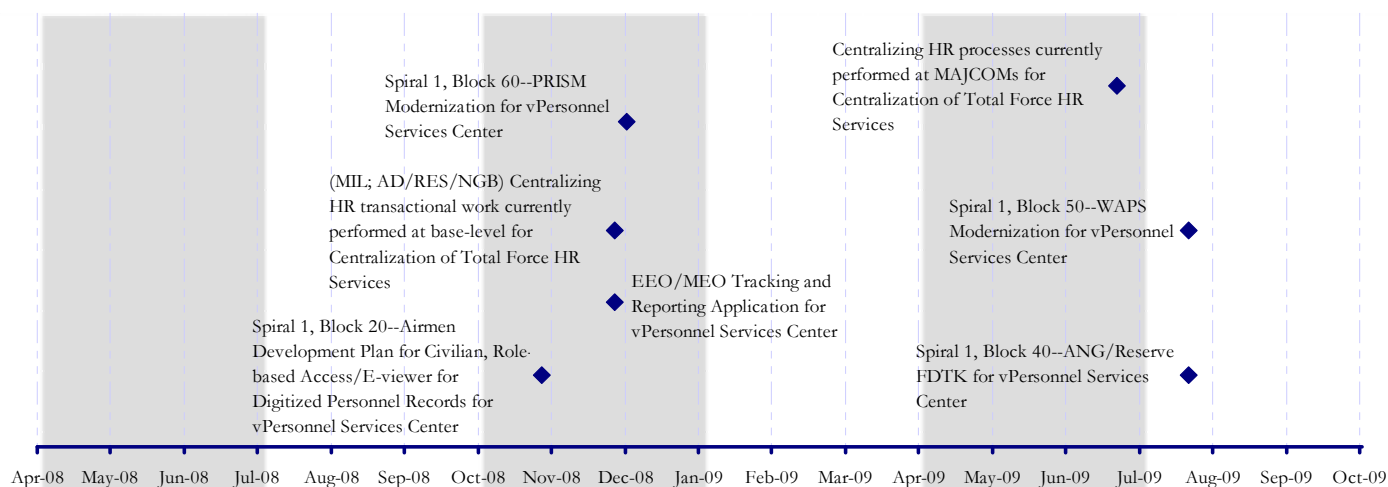
Approach

1. Replace Military Personnel Data System (MilPDS) with a supportable personnel system that accomplishes the processes, which will not be performed by Defense Integrated Military Human Resources System (DIMHRS). 2. Provide improved access to personnel services while accommodating a programmed reduction in Air Force personnel positions Virtual Personnel Services Center (vPSC) will improve access to personnel services while reducing the number of personnel positions. 3. Provide an interface with DIMHRS 4. Develop the infrastructure needed to establish two service centers for personnel issues/questions, which cannot be addressed through the Internet 5. Create the capability to allow Air Force members to view their personnel records online.

Benefits

These initiatives feed into the larger Air Force Enterprise operational services delivery and enhance the Air Force's ability to acquire, train, educate, deliver, employ and empower Airmen with the needed skills, knowledge and experience to accomplish Air Force missions whether deployed or in garrison. PSD is an overarching program managed by Deputy Chief of Staff for Personnel, Air Force (AF/DP) to change the way personnel services are delivered to the customer. There are six primary benefits: 1) Provide an improved service delivery model that will shift many personnel transactions to web-based self service and some to an enhanced contact center. 2) Change personnel lists' focus from conducting rote transactions to providing more valuable and strategic advisory services. 3) Improve availability of up to date and accurate personnel and manpower information. 4) Improve services through standardization, improved data and enhanced self-service accessibility. 5) Give Airmen more convenience and control over their personnel transactions – on their own schedule and with less time waiting in lines or traveling to multiple offices. 6) Enable the most effective use of resources (dollars/people) to support warfighting operations and “stressed” career fields.

Timeline Diagram

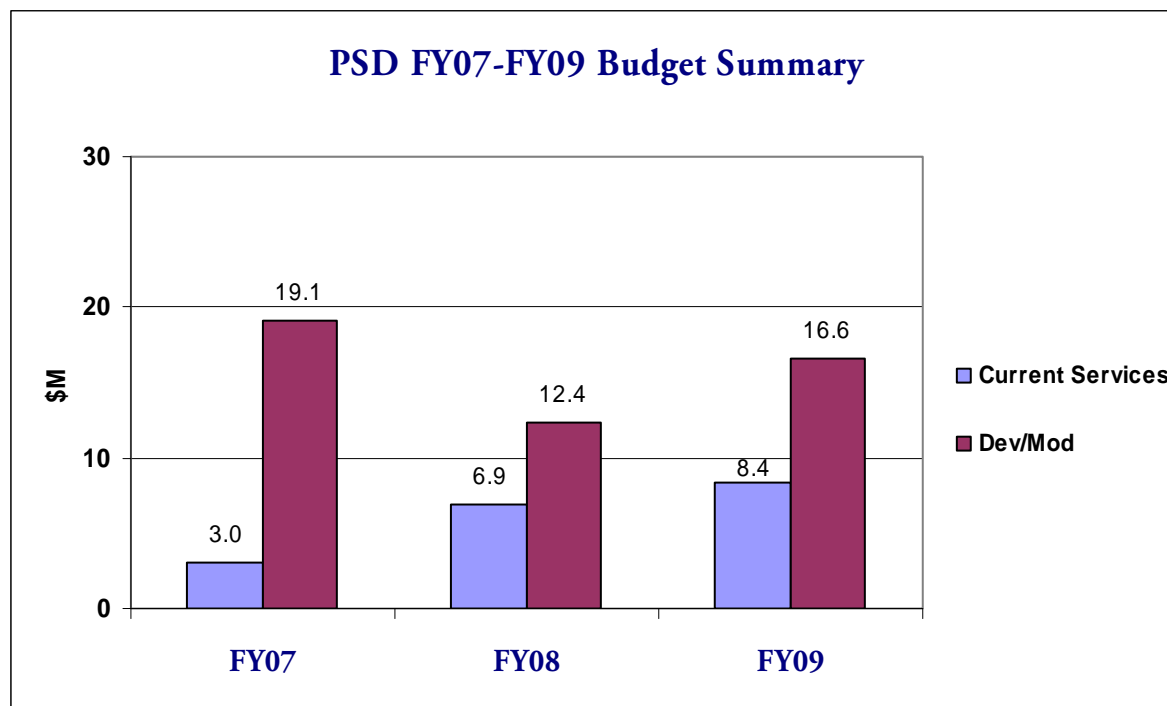


Initiatives Do Not Include Legacy Migrations



Personnel Service Delivery (PSD)

PSD FY07-FY09 Budget Summary and Details



When viewing the 2009 President's Budget Summary the decreases in Dev/Mod funding and the increases in sustainment are based on the original budget submission in FY06. The effort's budget was based on the Air Force deployment of DIMHRS in FY06. Dev/Mod funding is projected to decrease as system/tools move from development to sustainment. Funding shortfalls have been identified in FY09 and FY10 budget exercises. If unfunded, the Air Force preparation for DIMHRS deployment (now scheduled for Q1 FY10) will be incomplete. Sustainment of legacy systems, such as, military personnel data system is at high risk (single-point of failure for Air Force). It will reduce 24/7 service centers operations. Consolidation of Major Command (MAJCOM)/Base-level work to AFPC will be incomplete and will result if there is loss of work efficiencies. Business process design events will not provide additional cost avoidance/efficiencies in a timely manner to mitigate the authorization reductions already programmed.

Accomplishments/Capabilities Delivered:

- Centralized 101 personnel processes from MAJCOMs to the Air Force Personnel Center (AFPC) and conducted on-going business process design efforts that have documented a workload cost avoidance of 1789 Full Time Equivalents (FTEs) as of Q4 FY08. Selected a standardized operational Customer.

Personnel Service Delivery (PSD)

Relationship Management (CRM) tool for three PersPay Total Force Service Centers (TFSC). Spiral implementation has started at TFSC Ellsworth (Air Force Finance Service Center) Q3 FY08. Once completely deployed, it will allow seamless customer transfer between Service Centers. Results: better service to our customers both at home base or deployed.

- Completed scanning of active duty personnel records in Q3 FY08. Scanning effort continues for Air Force Reserves and Air National Guard (ANG). Supports fifth benefit objective and is critical milestone to providing 24/7 role-based access the military personnel records.

Near-Term Plans:

- Deploy DIMHRS to Air Force Initial Operating Capability (IOC). Q1 FY10



Personnel Service Delivery (PSD)

- End-to-end process analysis. Estimated completion date. (ECD): Q1 FY09
- System Initial Testing (Air Force). ECD: Q3 FY09
- Operational Testing and Evaluation (Air Force). ECD: Q4 FY09
- Migrate A1 Total Force Service Centers (TFSC) to common operating platform
 - Migrate TFSC-San Antonio, TFSC-Denver and TFSC-Ellsworth to a single 1-800 number by Q1 FY09
 - Stand-up TFSC-Ellsworth on the standard CRM by Q1 FY09
 - Upgrade TFSC-San Antonio to the standard CRM by Q1 FY09
- Start centralization of Civilian Personnel System Managers (PSM) at Air Force Personnel Center as directed in the Program Action Directive 07-11, A1 Transformation. The July 2007 Civilian PSD Concept of Operations (CONOPS) outlines the A1 approach. Estimated start date is Q2 FY09.

System Metrics

Metric: Workload Reduction as FTE Cost Avoidance

Typically, a reduction in required workload is generated by each capability/process/task reengineered through Business Process Redesign (BPR). This metric quantifies Total Force Process Design efficiencies in terms of full time equivalents to show A1 success in bridging the gap between required and authorized personnel. Workload equates to personnel manpower requirements. The goal through PSD Transformation is to balance personnel manpower requirements with the reduction in manpower authorizations that have already taken place in various programmed budget reductions.

Figure 7-10 reflects programmed manpower reductions in red, planned efficiencies in gray and actual efficiencies in blue. The sum of the blue and gray areas illustrates the number of FTE requirements reduced through process design events and other initiatives. The goal is reached when the sum of the blue and gray areas encompass the red area. This metric is reported quarterly and validated by the Air Force Manpower Agency (AFMA) and their respective Reserve Component counterparts. The Y-axis represents Full Time Equivalents.

Personnel Service Delivery (PSD)

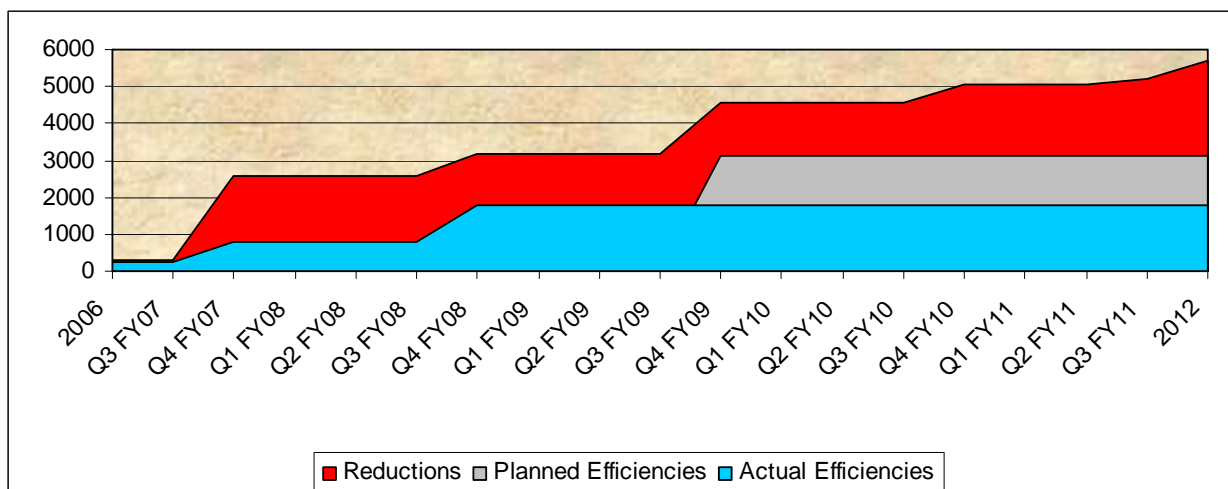


Figure 7-10: Programmed Manpower Reductions

The source for Figure 7-10 is "Burning Platform" PSD Military/Civilian offsets in FY06 POM and FY07 PBD 720 reductions to Personnel career field.

Fully Implemented Program

Enhanced Technical Information Management System (ETIMS)													
Description													
ETIMS will enable the reduction of paper by providing the capabilities to manage, store, distribute and use digital Technical Orders (TO). The TO process/system is currently based upon distribution of paper documents and CDs/DVDs to the point of use. The proliferation of paper and physical media distribution and use consumes valuable Air and Space Expeditionary Forces (AEF) airlift resources. The transition to ETIMS will enable the reduction of paper and conserve valuable Air Force resources. Management of these paper and physical media products requires significant resources and presents delivery concerns. The current system of record and Air Force TO processes are also enabling missing TO data as well as long delays between publishing and distribution of TOs and Time Compliance Technical Orders. These issues are causing safety of flight issues resulting in both loss of personnel and aircraft. In addition, the process of changing these documents over a period of time has resulted in an increase of cumbersome supplements and in-turn delays in distribution. The advent of modern digital technologies has paved the way toward potential solutions to these and related issues. (Source: Air Force TO CONOPS, December 1, 2000, Rev 3.3, GOSG 26 February 2003, CAF/MAF April 2004).													
Approach													
ETIMS is an integration of custom developed software with new and existing Global Combat Support System-Air Force (GCSS-AF) services, Document Automation and Production Service (DAPS) On-Demand printing and distribution and existing Air Logistics Center (ALC) TO content repositories. With the exception of the GCSS-AF and DAPS components, ETIMS will be subsumed by the Expeditionary Combat Support System (ECSS) in 2011. ETIMS scope includes 35 of 68 high level functional requirements applicable to paper and electronic TOs. ETIMS will leverage legacy systems, including Automated TO Management System (ATOMS), Joint Computer-aided Acquisition and Logistics Support (JCALS) and DAPS and will extend capability to include subscription, distribution and viewing electronic TOs. ETIMS will subsume web-enabled ATOMS and be a first step towards the Air Force TO Concept of Operations.													
Benefits													
Enhanced Technical Information Management System (ETIMS) will provide immediate (near-term) improved warfighter capability to manage and electronically distribute both paper and electronic technical orders (TOs). Addressing this current deficiency in TO.													
Accomplishments/Capabilities Delivered	Budget												
ETIMS completed the operational utility evaluation and deploy via the GCSS-AF integration framework.	<div>ETIMS FY07-FY09 Budget Summary</div> <table><thead><tr><th>Fiscal Year</th><th>Current Services (\$M)</th><th>Dev/Mod (\$M)</th></tr></thead><tbody><tr><td>FY07</td><td>0.8</td><td>3.7</td></tr><tr><td>FY08</td><td>3.1</td><td>1.4</td></tr><tr><td>FY09</td><td>3.7</td><td>0</td></tr></tbody></table> <ul style="list-style-type: none">No Dev/Mod funding in FY09.	Fiscal Year	Current Services (\$M)	Dev/Mod (\$M)	FY07	0.8	3.7	FY08	3.1	1.4	FY09	3.7	0
Fiscal Year	Current Services (\$M)	Dev/Mod (\$M)											
FY07	0.8	3.7											
FY08	3.1	1.4											
FY09	3.7	0											



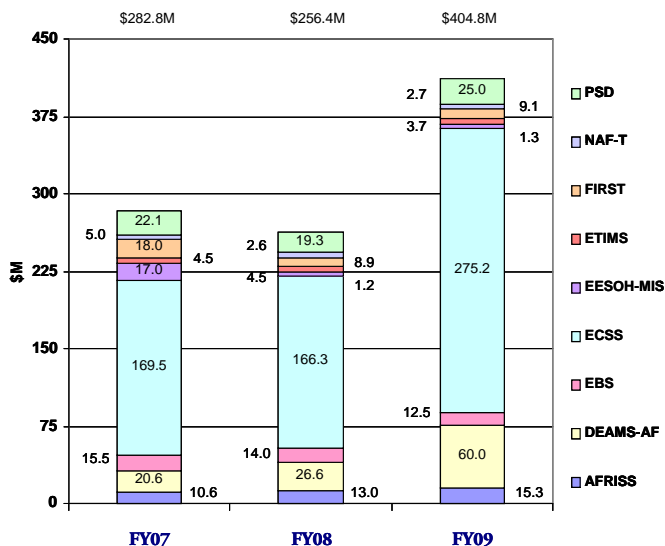
Air Force

The mission of the Air Force is to deliver sovereign options for the defense of the United States of America and its global interests—to fly and fight in Air, Space and Cyberspace. Complex and unpredictable global threats emerge every day and the Air Force is postured to provide options for the defense of the nation by sustaining an agile, adaptable, persistent, lethal and surge-ready air, space and cyberspace force. Our persistent Command, Control, Communications, Computers, Intelligence, Surveillance and Reconnaissance (C4ISR), global mobility and rapid strike capabilities are critical to all joint operations. Our combat capability and peacetime efficiency will increase as we integrate our Active Duty, Air National Guard and Air Force Reserve Components into a Total Force. By focusing on our main priorities—winning the Global War on Terror, developing Airmen and recapitalizing and modernizing the Total Force—we are prepared to face the challenges of today and the uncertainties of tomorrow.

Priorities

- Synchronize the Supply Chain and Installation Management with Operations—Globally
- Leveraging the Power of Information to Transform Global Operations
- Improve Operational Capabilities through Improved Real-Time C2, Decision Support and Predictive Analysis
- Support Our People—Our Most Important Resource
- Increase Resources Available for Recapitalization
- Provide accurate, reliable and timely financial information to support decision making
- Optimize Enterprise Performance through Transformation and Continuous Improvement across Functional Boundaries
- Improve Development and Delivery of Capabilities through Disciplined and Credible Processes

FY07-FY09 Budget Summary



Air Force FIP and FM SDM – Programs are funded from the operating budgets of affected activities.

PSD – Budget figures represent the combined budgets for Virtual Personnel Services Center (VPSC), the major system that conducts PSD transformation at the system level and PSD-IT support, the initiative that reflects the infrastructure costs associated with the PSD transformation initiative.

Systems & Initiatives

Transformational

Air Force Financial Improvement Plan (AF FIP)

Air Force Recruiter Information Support System (AFRISS)

Defense Enterprise Accounting and Management System -Air Force (DEAMS-AF)

Enterprise Business System (EBS)

Expeditionary Combat Support System (ECSS)

Enterprise Environmental Safety and Occupational Health Management Information System (EESOH-MIS)

Financial Information Resource System (FIRST)

Financial Management Service Delivery Model (FM SDM)

Nonappropriated Fund Transformation (NAF-T)

Personnel Services Delivery (PSD)

Fully Implemented

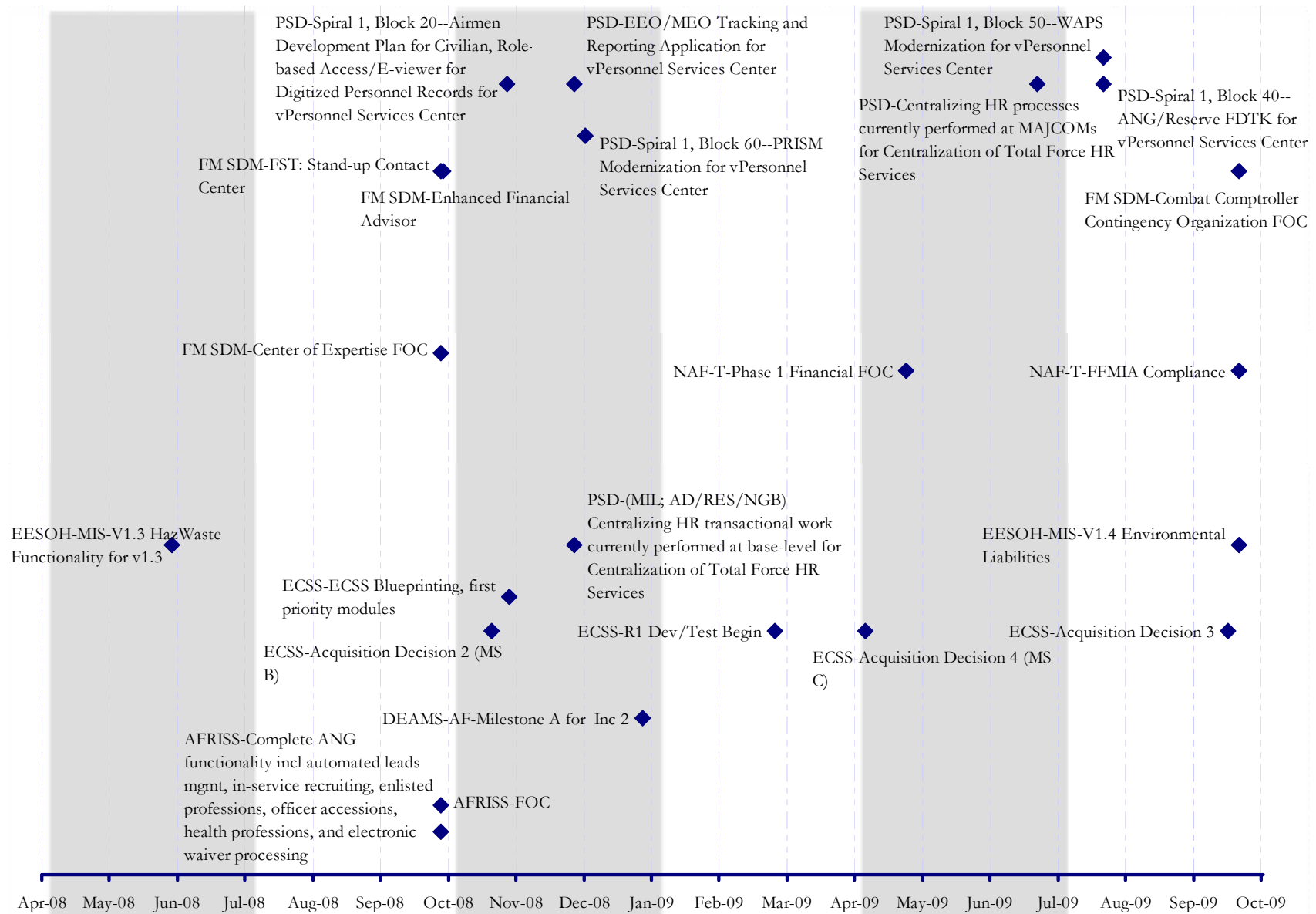
Enhanced Technical Information Management System (ETIMS)

Changes since the March 2008 Congressional Report

Enterprise Technical Information Management System (ETIMS) fully implemented: ETIMS is the Air Force system for managing Technical Order (TO) libraries, managing the distribution and printing of paper TOs and managing, storing and distributing electronic TOs (eTO). ETIMS eliminates the need for pallets of paper TOs that must accompany today's expeditionary forces, enabling eTOs and eTO changes to be distributed to the point of use within seven days instead of 30 days. It directly supports the synchronization of Supply Chain Management (SCM) and Installation Management with Operations by transforming the "Sustain the Force" logistics processes by providing a single, logical repository with worldwide access to electronic TOs through a single service portal and enables a lighter, leaner, more rapidly, deployable force; more timely.



Air Force Milestone Summary



Case in Point: Legal Information Services Training Modules

The Directorate of Legal Information Services (AFLOA/JAS) creates, fields and maintains a broad range of legal research and knowledge management (KM) applications for Air Force and other DoD legal professionals. In 2006-2007, The Judge Advocate General's Corps (TJAGC) conducted an exhaustive Legal Information Integration (LII) study. Reviewing over 1,000 survey responses, the study team concluded that many Air Force legal professionals were underutilizing IT tools at their disposal. In response, the JAS team assembled a collection of training modules covering subjects ranging from smart management of e-mail, to "how to" guides for numerous TJAGC-specific knowledge management applications. The team made the training available via website and direct-mailed CD to active duty (AD) and Air Reserve Component (ARC) legal offices around the world. The team created the modules using "Articulate Presenter," a simple to use Commercial Off-the-Shelf (COTS) product that runs on every PC in the Air Force. They chose this course of action (COA) because it relied on a simple, proven and best of all almost no cost (one license for Articulate Presenter) solution to target a specific effect they hoped to generate—to increase the Air Force JAG Corps' use of IT KM tools at its disposal.

One of the training modules took viewers through a step by step guide on how to use "Judge Advocate Distance Education" (JADE), a JAS-built, JAG School-maintained, web-based distance education (DE) application designed to train JAGs on the fundamentals of mainstream base level legal work (justice, contracts, environmental, labor etc.). Despite strong leadership emphasis on completing these courses, only 34 JAGs had done so as of August 2008. However, after being armed with easy to follow guidance in the JADE module, 200 more completed the courses.

The eight-minute JADE module effectively extended the School's educational reach by almost six times, saved at least \$200,000 in temporary duty (TDY) costs (assuming TDY costs averaging \$1000/each), but more importantly, ensured the legal professionals advising Commanders on the front lines have the latest and most up to date training possible. While the total dollar return on investment (ROI) of this effort is modest by comparison to some other Enterprise Transition Plan initiatives, it merits recognition because this small team identified a problem, fashioned a no-frills, low cost solution and then executed it producing undeniably quantifiable results—increased DE legal training almost 600%.



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Chapter 8: Defense Logistics Agency

Defense Logistics Agency Transformation Vision and Strategy

Defense Logistics Agency (DLA) is the bridge between the warfighter and the American industrial base, playing a central role in safeguarding America's national security. The Military Services rely on DLA for 100% of their subsistence items, medical materiel, tents, construction and barrier materiel, clothing, footwear and protective garments—the essential items for personnel readiness. DLA also provides 100% of the Military Services' worldwide fuel and energy requirements, the lifeblood of any military force. Additionally, DLA provides approximately 95% of the repair parts the Military Services require to keep their equipment combat-ready. In Fiscal Year (FY) 2008, DLA customers received more than \$37B of DLA products and services.

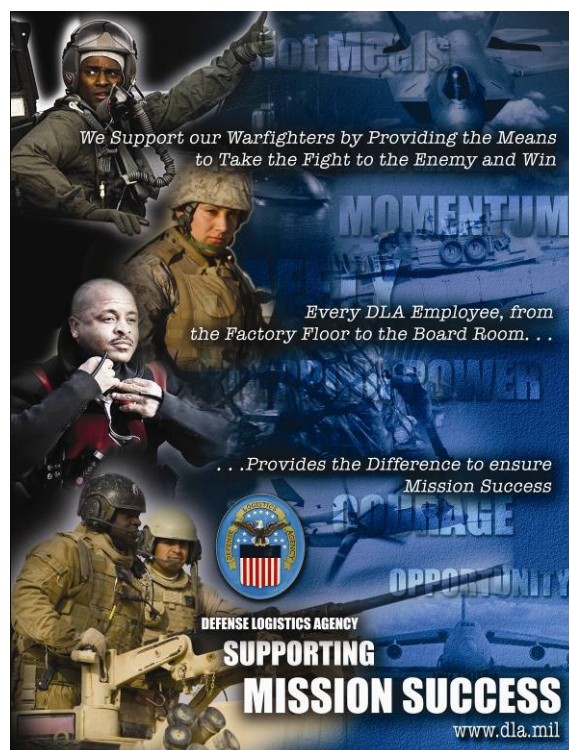
DLA's mission is to support the warfighter. DLA occupies a pivotal role within America's national security apparatus. The ability of the military to generate and sustain combat readiness requires repair parts, troop support materiel and energy products to flow seamlessly from the source of supply to the warfighter.

Even as DLA provides unparalleled logistical support to warfighters in the field, the Agency faces new challenges. There are opportunities to improve end-to-end supply chain support to the warfighter, by streamlining inventories, reducing storage costs and improving fill rates to help sustain operational readiness and industrial support production lines. As the logistics enterprise continues to evolve, the future is about building partnerships with the warfighters DLA serves to improve logistics support across the Department.

DLA's vision is to extend the Enterprise forward to meet the needs of the warfighter by providing the right item, right service, at the right place, right time...every time. To achieve this vision, DLA has embraced three major strategic thrusts, each designed to move the Agency beyond its traditional wholesaler responsibilities. They are:

Extend the Enterprise—this strategic thrust provides focus and organization to our effort to move DLA closer to the warfighter. At its heart, "Extend the Enterprise" is about geographically expanding current capabilities and competencies, acquiring new capabilities and making all capabilities more accessible to the warfighter. DLA employees, inventories and logistics capabilities will be located forward, beyond traditional Agency borders, to capitalize on best value opportunities to improve warfighter readiness. This strategy will allow DLA to extend deeper into customer operations and to expand business operations through Base Realignment and Closure (BRAC) efforts.

Connect Warfighter Demand with Supply—this strategic thrust leverages multiple DLA initiatives to establish a seamless, effective and efficient supply network that links the Services to the source of their material—the American industrial base. This strategy transforms demand planning capabilities and the processing of demand signals throughout the supply chain. DLA will improve forecast accuracy through collaboration and improve supplier performance and reduce delivery time through collaborative supply planning and strategic material sourcing.



Deliver Supply Chain Excellence—this strategic thrust recognizes that warfighter support diminishes if a supply chain sub-optimizes or fails to perform. Because processes are embedded in the systems of an enterprise, systems reengineering is at the heart of process reengineering. DLA will focus on improving and refining the overarching DoD business model by leveraging information technology. Achieving supply chain excellence depends on human capital. DLA will ensure the workforce is enabled, empowered and motivated to deliver and sustain supply chain excellence. Both process reengineering and workforce empowerment will be enhanced through the application of continuous process improvement strategies.



DLA's three strategic thrusts are foundational to the Agency's four goals, or priorities. The four priorities are:

- 1) Warfighter Support
- 2) Internal Processes
- 3) Learning and Growth
- 4) Stewardship

DLA Business Transformation Overview

Completion of the Business Systems Modernization (BSM) program and successful delivery of the DLA Enterprise Business System (EBS), as DLA's core business model, have fundamentally transformed supporting processes and systems architecture. EBS, coupled with the Distribution Standard System (DSS) and the Integrated Data Environment (IDE) program, form the cornerstone of the Agency's logistics capabilities. These transformational efforts

represent significant progress in DLA's transition to net-centricity. To guide these efforts, DLA has adopted an approach of managing a portfolio of capabilities based on an Agency-wide Component Enterprise Architecture (EA) that aligns with the DoD's Business Enterprise Architecture (BEA).

This portfolio approach provides a better understanding of DLA's transition path and its plan to become net-centric. Figure 8-1 depicts DLA's integration of systems and processes through the EBS capability and is described in more detail below.

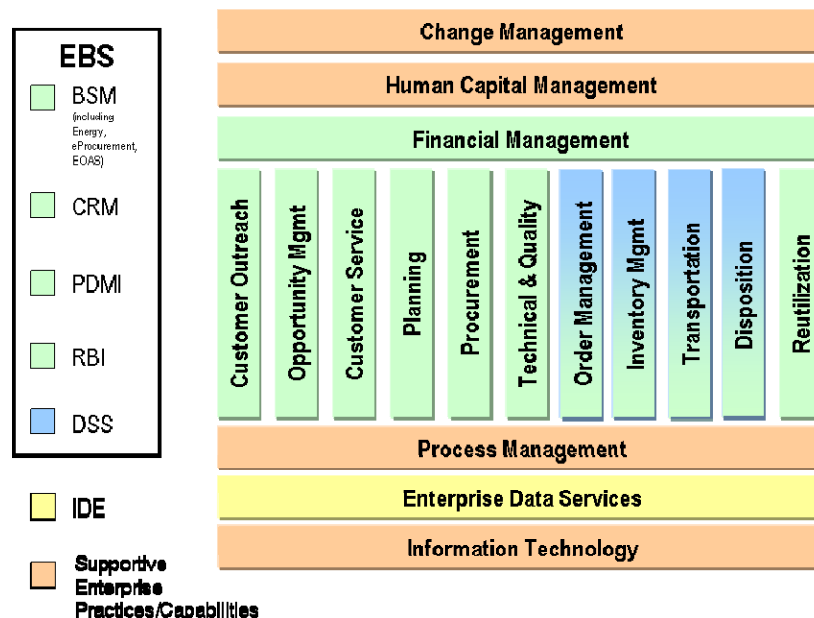


Figure 8-1: DLA's EBS Process/Systems Integration Framework

The following investments comprise DLA's primary portfolio of enterprise transformational capabilities:

- Enterprise Business Capability -
 - EBS, DLA's Enterprise Resource Planning (ERP) platform for supply chain management, was developed and introduced into DLA operations with investment dollars managed through BSM, Customer Relationship Management (CRM) and Product Data Management Initiative (PDMI) programs. BSM, CRM and PDMI, along with the Reutilization Business Integration (RBI) initiative, are now part of the EBS process/systems integration framework. The fusion of separate investments into a single supply chain management platform coupled with Enterprise data services capabilities (provided by IDE), provides the ability to extend the Enterprise forward to the warfighter, outward to the supplier and across the DoD in an auditable, coordinated and interoperable fashion.
 - With incorporation of the Distribution Planning Management System (DPMS), DSS now provides a fully integrated storage and distribution capability, including optimizing transportation planning for vendor shipments and providing customers with real-time supply chain information, supporting storage and transportation capabilities. Information is being made available at the time of vendor shipment—key supply chain information that was never available before.
- Enterprise Data Capability – The DLA Enterprise Data strategy enables management and coordination of data and data services to reduce cycle time and drive down costs of managing and providing data for decision support and business process improvements. IDE/Global Transportation Network (GTN) Convergence (IGC) is fundamental to DLA's Enterprise data capability and will resolve DoD gaps in integrated, networked, end-to-end asset visibility, deployment and distribution capabilities.
 - IGC is a collaborative effort between DLA and United States Transportation Command (USTRANSCOM) and will possess the right capacity, scalability, agility, control, force projection and timeliness to effectively support the Joint Force Commander's ability to make decisions based on actionable logistics information.
 - IDE delivers data management and integration capabilities, facilitating interoperability across DoD.
- Enterprise Infrastructure Capability – DLA's enterprise infrastructure capability is based on Global Information Grid (GIG) principles and partnership with the Defense Information Systems Agency (DISA) in key elements, such as data center operations and networking. Recently, EBS hosting migrated from a commercial facility in Denver, Colorado to the DISA Defense Enterprise Computing Center (DECC) in Ogden, Utah. DLA's enterprise infrastructure is now better positioned to act as an “enterprise service provider” rather than the former traditional “technology provider.”



DLA Program and Initiative to Priorities Mapping

The table below depicts the relationships between DLA's transformational programs and initiatives and the DLA priority they support.

Programs and Initiatives	Priorities			
	1	2	3	4
Common Food Management System (CFMS)		•		
Integrated Data Environment (IDE)		•		
DLA Enterprise Business System (DLA EBS)		•		•
Transformational Activities				
Capability Management			•	
Implement Base Realignment and Closure (BRAC) Recommendations	•			
Leadership Capability			•	
Implement Standard Financial Information Structure (SFIS)				•

DLA Priority #1 and Metrics: Warfighter Support - Maximize Warfighter Potential

This priority embodies DLA's efforts to maximize warfighter potential by extending the Enterprise to provide worldwide response and integrated, best value supplies and services consistently to our customers. As a combat support Agency, DLA's mission is to provide logistics support to the warfighter and therefore, our first and most important priority addresses improved outcomes for our customers. The strategy to achieve this priority focuses on extending competencies and capabilities closer to the warfighters and actively engaging them to better understand their needs and meet their requirements. As part of engaging the warfighter, their needs are to be translated into actionable solutions that improve capabilities. In addition, DLA continues to move forward with BRAC activities in order to pursue logistics economies and efficiencies that improve logistics support to joint and expeditionary forces. Three specific BRAC activities are instrumental in achieving this priority and are discussed in the Transformational Activities section below. This priority supports achievement of the Business Enterprise Priorities of Common Supplier Engagement (CSE), Acquisition Visibility (AV) and Materiel Visibility (MV).

Transformational Activities

BRAC Recommendations became official November 2005, legislatively mandating three supply and storage decisions depicted below:

Commodity Management Privatization: This activity transfers supply contracting functions for tires, packaged petroleum products and compressed gases from the Military Services to DLA and disestablishes (privatizes) all other supply, storage and distribution functions for these commodities. Privatization enables DoD to take advantage of the latest technologies, expertise and business practices, which translates to improved support to customers at less cost. This decision will achieve economies and efficiencies that enhance the effectiveness of logistics support to forces as they transition to more joint and expeditionary operations.



Depot Level Repairable (DLR) Procurement Management Consolidation: This activity transfers procurement management and related support functions for the procurement of new DLRs and functions related to the management of consumable items from the Services to DLA. This recommendation provides the opportunity to further consolidate Service and DLA Inventory Control Point processes by supply chain type. The realignment should provide labor savings through transfer in place (application of standard labor rates across Inventory Control Points, headquarters staff reductions and consolidation of support functions), reduce labor and support costs (from site consolidation) and business process improvements (consolidation of procurement under a single inventory materiel manager, reduction of disposal costs and improved stock positioning). Savings related to overhead/support functions, especially at those locations where physical realignments occur at a lead center, can be anticipated. Finally, this recommendation supports transformation by transferring procurement management of all Service DLRs to a single DoD Agency/activity.

Supply Storage and Distribution (SS&D) Management Reconfiguration: This designates two additional DLA Distribution Depots as Strategic Distribution Platforms (SDP), mirroring DLA's two existing SDPs. This reconfiguration also transfers all supply, storage and distribution functions at 13 designated Service Maintenance Depots from the Services to DLA, eliminating unnecessary redundancies and duplication and streamlining supply and storage processes.

Accomplishments/Capabilities Delivered:

- Commodity Management Privatization achieved full performance implementation in commodity management privatization of compressed gases and cylinders, chemicals and packaged petroleum, oils and lubricants (POL) in August 2008.
- The Military Services in 2008, under DLR Procurement Management Consolidation transferred 6,145 National Stock Numbers (NSN) to DLA in accordance with the Consumable Item Transfer (CIT) process.
 - Air Force: 99
 - Army: 4,760
 - Marine Corps: 138
 - Navy: 1,148
- Achieved DLA detachments for DLR procurement management consolidation at the following sites:
 - Ogden, Utah Air Logistics Center: Q3 FY08
 - Oklahoma City, Oklahoma Air Logistics Center: Q3 FY08
- Under SS&D configuration, transferred supply, storage and distribution functions at Ogden Air Logistics Center and Fleet Readiness Center East in Q4 FY08.

Near-Term Plans:

- Continued execution of contracts for Commodity Management Privatization. Expected benefits include reduced overhead costs and inventory levels through transfer of inventory management from DLA directly to the supplier.
- DLA detachments for DLR procurement management consolidation will occur at the following sites:
 - Warner-Robins Air Logistics Center: Q1 FY09
 - Naval Inventory Control Point-Mechanicsburg/Philadelphia: Q1 FY09
 - Army Aviation and Missile Command: Q2 FY09
 - Army Tank-Automotive and Armaments Command: Q2 FY09
- SS&D Management Reconfiguration for:
 - Fleet Readiness Center Southeast: Q1 FY09
 - Fleet Readiness Center Southwest: Q2 FY09



Metric: Enterprise On-Time Order Fulfillment

On-Time Order Fulfillment (OTOF) is the principal customer-focused metric currently used to measure the effectiveness of DLA's supply chains in supporting customer requirements. This becomes the most significant single measure of how well DLA is supporting the warfighter, as that support primarily consists of filling orders for customer required materiel. DLA provides 100% of the food, fuel, clothing and individual equipment, medical equipment and supplies, construction and engineering equipment and supplies and 95% of weapons system repair parts to the warfighter around the world. OTOF is used as a measure of how well supply chains are performing in response to customer orders in the time frames required by existing standards. As such, it is used by all seven of DLA's supply chains currently using EBS (only the Energy Supply Chain does not use this measure). Work is ongoing to establish both Enterprise and supply chain goals for this metric, with the expectation that these goals will be established for FY09.

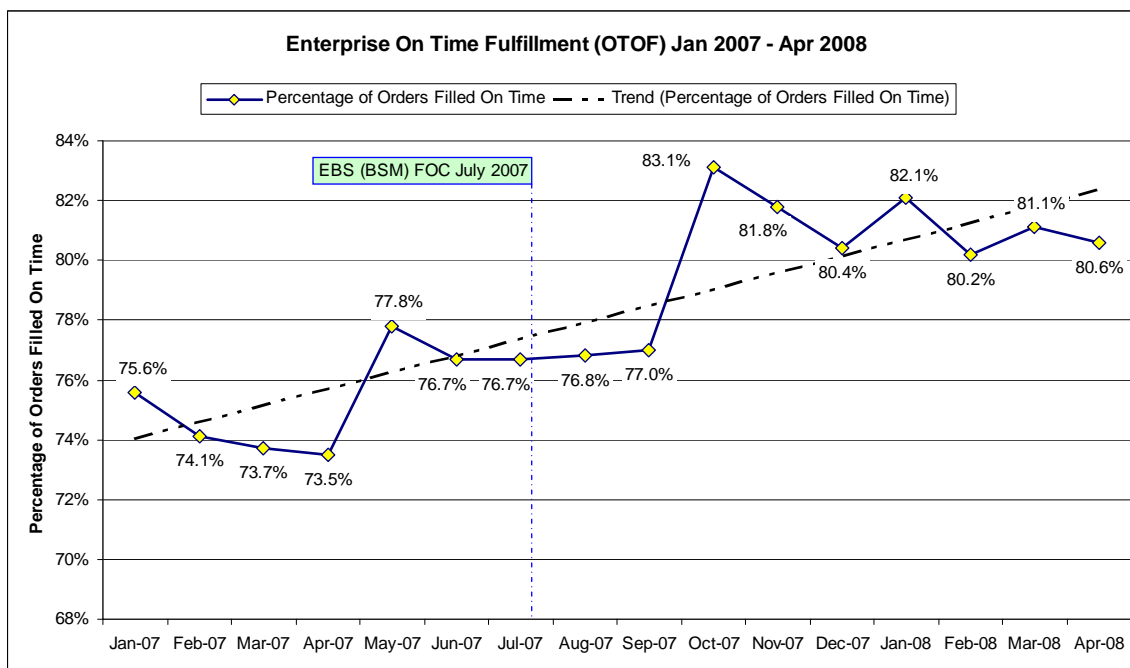


Figure 8-2: On Time Order Fulfillment

Previous metrics were very internally focused and measured only a part of DLA's support to customers and did not include any consideration of timeliness. The ultimate intent is to develop a measure called Perfect Order Fulfillment (POF), commonly used in the private sector to measure the effectiveness of supply chain performance in supporting customer requirements. POF will measure all aspects of supply chain performance in responding to customer orders, including timeliness, product quality, materiel condition, delivery accuracy and accuracy of the billing process and any associated paperwork. DLA expects to begin using an initial version of POF in FY09.

Thus, OTOF and POF are the most important measures of customer support. Ultimately, POF will become an even more all-encompassing measurement of warfighter support as DLA extends the Enterprise to the ultimate end user of its supplies and services.

DLA Priority #2 and Metrics: Internal Processes-Improve DLA performance through better processes and business arrangements

This priority focuses on continuously improving DLA performance through development of better processes and business arrangements that reduce cost, increase logistics capabilities and link customer demands with DoD supply chains. Supply chain management practices provide the tools to manage DLA's internal processes. Strategies to support this priority include aligning demand and supply chain capabilities within the supply chain management model to better support warfighters and their weapon systems; leveraging industry capabilities to provide world-class support to the warfighter at the lowest possible cost; achieving world-class supply chain performance by completing DLA's transition from wholesale to end-to-end supply chain management excellence; and designing, implementing and sustaining a best value Enterprise IT environment. With completion of the BSM program, DLA has implemented EBS, the ERP platform and cornerstone of the Agency's capability to meet this priority. DLA will achieve this priority through enhanced capabilities to EBS provided by IDE, RBI, Enterprise Operational Accounting System (EOAS), Enterprise Procurement (eProcurement) and Energy Convergence and will continue to build on the capabilities delivered by BSM, BSM-Energy, CRM and PDML. This priority supports achievement of the Business Enterprise Priorities of CSE, AV, MV and Real Property Accountability (RPA).

Additional information on DLA transformational programs associated with this priority can be found in program dashboards at the end of this chapter.

Metric: Enterprise IT Sustainment

The Project Development Plan (PDP) is a list of post-implementation changes for EBS and DSS. This metric is tracked by the DLA Program Alignment, Integration and Engineering Office. In order to better manage the deployment process, DLA is establishing better controls to improve the quality of the requirements; evaluating how to improve the rigor by which the Configuration Control Board (CCB) approves changes to the PDP and revising estimates for next year's PDP to reflect the actual production support numbers from this year. This will provide a better estimate of the resources that DLA can devote to PDP work.

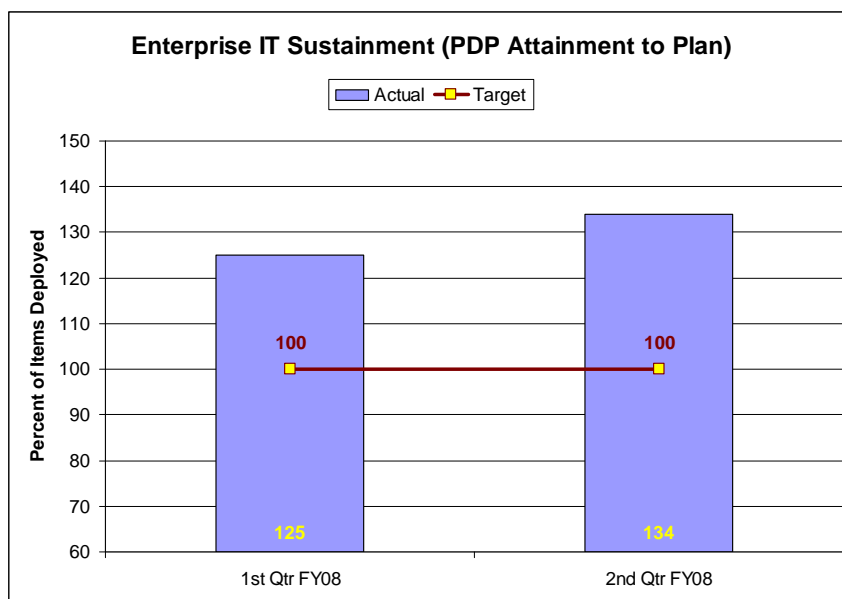


Figure 8-3: Enterprise IT Sustainment–PDP Attainment to Plan

This measure tracks achievement against the PDP. The measure illustrates whether planned releases are occurring on time (a function of accurate estimation, quality and prioritization) in support of identified requirements. Satisfying these requirements ultimately leads to an improved IT environment as these systems improve in both performance and scope. As shown in Figure 8-3, DLA is exceeding its plan to provide enhanced capabilities to the warfighter and DoD/DLA user communities.



DLA Priority #3 and Metrics: Learning and Growth—Ensure a diverse, enabled, empowered and motivated workforce that delivers and sustains supply chain excellence

This priority focuses on ensuring a diverse, enabled, empowered and motivated workforce capable of delivering and sustaining supply chain excellence. DLA's success depends on effective strategic management of human capital. DLA's workforce must be properly staffed, possess the appropriate capabilities and be equipped and motivated to perform the DLA mission. This priority will be achieved through institution of a comprehensive talent management program, a corporate culture that enables DLA to meet the needs of the warfighter through logistics excellence and a quality work environment that optimizes employee performance. Current activities to achieve this priority include Capability Management and the Leadership Capability Program. This priority supports achievement of the Business Enterprise Priority of Personnel Visibility (PV).

Transformational Activities

Capability Management: In support of established strategic objectives, DLA is engaging in a competency modeling and gap analysis process initially focused on a select group of mission critical occupations - those supporting the Executive Strategy Management (ESM) tool. The competency assessment process was piloted in 2006 and three phases have started.

Phase 1 assessed the contracting, professional and EBS competencies, as well as awareness of e-Business and Ethics/Integrity tools and resources of the Contracting workforce (1101s and 1102s). The assessment survey deployment was completed in September 2007 and a data findings and analysis report is close to completion. This report will assist DLA's Senior Procurement Executive (SPE) in determining the way ahead. Next steps include reviewing training events, linking them to competencies and identified skills gaps and possibly incorporating them into Individual Development Plans (IDP). This phase is in alignment with the Director of Procurement and Acquisition Policy efforts to determine existing competency-based capabilities and to identify skills gaps across the DoD contracting workforce.

Phase 2 assessed the Logistics (Supply/Demand Chain) workforce in DLA EBS positions in the following occupational series: 0301 (Customer Account Specialist and Tailored Vendor Logistics Specialist), 1910 (Quality Assurance), 2001 (General Supply), 2003 (Supply Program Management) and 2010 (Inventory Management). The assessment survey focused on EBS-related competencies and the deployment was completed in January 2008. Data results are being analyzed.

Phase 3 assessed the participants in the Tier V Enterprise Leadership Development Program (ELDP). The assessment survey focused on critical leadership competencies and deployment was completed in March 2008. Data results are also being analyzed. Development activities are being established to link to those competencies where a skills gap exists and to incorporate deficiencies into IDPs.

Other occupational areas to be included in future phases will be identified through assessment of critical organizational needs and workforce demographics such as attrition and turnover rates, distribution of occupational expertise, retirement eligibility and recruitment capability.

Leadership Capability Program: This initiative is focused on the development and implementation of an additional tier of the DLA ELDP and is aligned with the DLA strategic objective to increase Agency bench strength for key and senior executive positions. The Tier V program was launched in November 2007 via orientation sessions conducted at the Defense Supply Center Columbus, Defense Supply Center Richmond, Defense Supply Center Philadelphia and the Defense Distribution Center. There are four components to the Tier V Program: leadership competency assessment, competency-driven IDP, cadre project assignments and core training.



Priority Accomplishments/Capabilities Delivered:

Capability Management: Completed Phase 1-3 assessment survey deployments with 90%, 87% and 100% respective completion response rates.

Leadership Capability: All 137 employees comprising the first class of participants completed the Tier V leadership competency assessment. Sponsors and leadership development projects were finalized for the 12 Tier V cadres.

Near-Term Plans:

- Capability Management: Complete data analysis for Phases 1-3. Development of next steps in the capability management process for Phase 1 occupations.
- Leadership Capability: Continue developing and implementing the Tier V components, including competency-driven IDPs and core training.

Metric: Employee Perception of Organizational Learning and Capability Development

The following measure, Employee Perceptions of Organizational Learning (OL) and Capability Development (CD), reflects the impact of the transformational programs described above and is tracked via the ESM tool used by DLA to monitor progress of strategic objectives, initiatives and measures. This measure quantifies perceptions of both supervisory and non-supervisory personnel relative to OL and CD in support of DLA's Learning and Growth strategy to acquire, develop and retain world-class supply chain expertise through a comprehensive talent management program. Tracked by DLA's Human Resources directorate, in concert with administration of the organizational culture survey, calculation methodology is based on percentile scores from OL and CD attributes of the Denison Culture Model for the entire survey population (supervisory/managerial employees and non-supervisory/managerial employees).

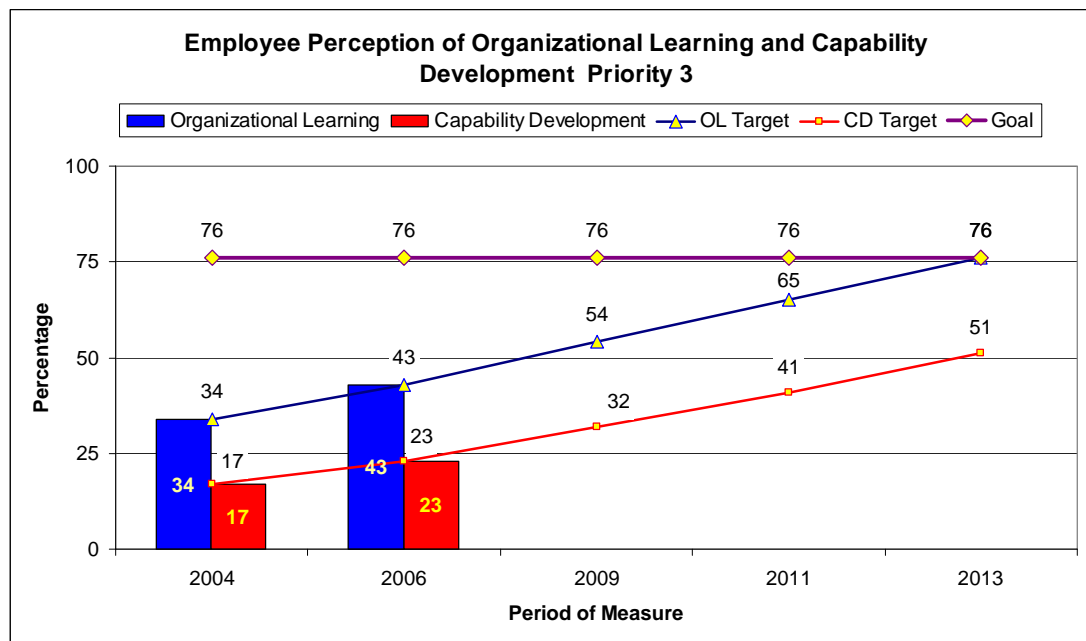


Figure 8-4: Employee Perception of OL and CD

DLA's long-term goal is scoring at the 76th percentile in both attributes. This is consistent with private and public sector organizations benchmarked against the Denison Culture Model in which "world-class" is defined as being in the top 25%. Interim percentile targets for driving incremental improvement in the two attributes have been established and are based on historical data, with a goal of achieving a 30-40 percentile increase by FY13. This is a new metric that was approved for use in 2008, with the first update scheduled to occur following administration of the culture survey in FY09.



DLA Priority #4 and Metrics: Stewardship - Manage DLA Resources for Best Customer Value

Focusing on financial goals will sustain the strong fiscal discipline required to ensure effective financial planning and management in DLA. The strategies and objectives associated with this priority allow DLA to provide best value to customers. Accurate forecasts strengthen DLA's ability to project and support requirements and plan for needed resources. Better supply chain cost decisions result in better management of resources. DLA's ability to demonstrate audit readiness will provide assurance to DLA management and stakeholders that the Agency's financial management systems produce relevant, reliable and timely information. While many transformational programs and activities contribute to achievement of this priority, EBS is the primary transformation effort to ensure DLA auditability. EOAS extends EBS' financial architecture, incorporating non-supply financial accounting in support of auditability. Furthermore, DLA is implementing the Standard Financial Information Structure (SFIS) in all core financial and business financial feeder systems in support of auditability. This priority supports achievement of the Business Enterprise Priority of Financial Visibility (FV).

Transformational Activities

EOAS will leverage software configuration, licenses and infrastructure capabilities to extend EBS' ability to provide timely and accurate financial reporting. It captures and reports financial management information for non-supply business areas and replaces non-compliant legacy systems. EOAS will facilitate the transformation of DLA financial management by enhancing EBS financial management functionality and data into a single Commercial Off-the-Shelf (COTS) solution. EOAS will provide an integrated capability and will extend the DLA financial architecture in support of auditability to be compliant with the Federal Financial Management Improvement Act (FFMIA) and the DoD BEA.

Advantages of EOAS include allowance for obligations by cost center; streamlined, Enterprise-wide coding structure; greater end user acceptance through simplified structure and easier data retrieval; a more agile system to meet changing business needs; a decrease in number of total cost centers utilized; and simplification of organizational alignment change processes.

SFIS is an enterprise data structure that supports requirements for budgeting, financial accounting, cost/performance and external reporting across the DoD. SFIS enables decision makers to efficiently compare similar programs and activities across DoD and provides the level of detail required for information retrieval and auditability.

Accomplishments/Capabilities Delivered:

- DLA, in cooperation with the Business Enterprise Integration (BEI) team, is near completion of SFIS compliance testing on CFMS. A system demonstration to support SFIS compliancy was completed at the end of FY08 and CFMS is in the final stages of approval.

Near-Term Plans:

- Limited EOAS functional capability will be deployed with a technical upgrade in October 2008. After a period of sustainment, remaining planned functionalities will be deployed in three phases, February 2009, April 2009 and June 2009. Each phase addresses complexity required for the targeted business area's deployment. The resulting software will integrate accounting, financial and other business functions into a comprehensive management information and enterprise resource planning system; reduce the costs to perform and account for DLA operational functions; provide useful, timely and accurate management and financial data; and allow users to analyze and reconcile data to ensure validity and accuracy.
 - The phasing process will be used to ensure software is stabilized before proceeding to the next deployment, thus minimizing the risk to the business area and DLA operations.
 - EBS/EOAS is being upgraded with SAP v6.0 software, while being configured for SFIS compliance. The BTA/BEI team will be engaged in the very near future to validate that EBS/EOAS is configured properly. The plan is that when EBS/EOAS rolls out with the upgraded software, it will be SFIS compliant.



- Within the next six to twelve months, DLA will formulate an SFIS compliance strategy for DSS and eProcurement.

Metric: Cost Recovery Rate

The DLA Non-Energy Supply chain Cost Recovery Rate (CRR) is the amount added to the cost of an item to recover costs associated with purchasing and selling supplies to customers. It measures the cost management effectiveness of Non-Energy Supply activities and is a leading indicator for future cost recovery rate increases or decreases. It is tracked to ensure operating costs remain in line with DLA's Non-Energy Supply sales. Since FY04, DLA has worked to reduce the CRR and the DLA Comptroller tracks this rate as a metric, which is briefed to the Services on an as needed basis. The goal of this metric is to attempt to reduce, or at least maintain, the CRR. The CRR illustrates how DLA, through cost management, is committed to being the "best value" provider to its customers.

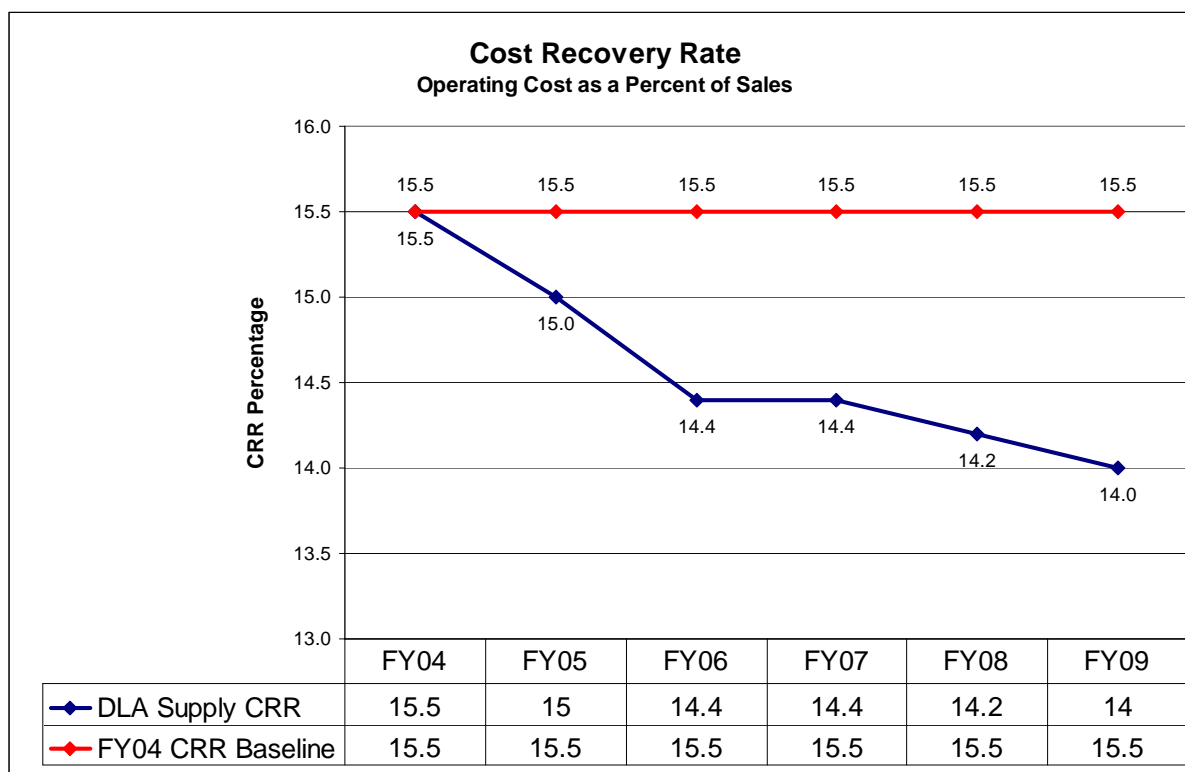


Figure 8-5: Cost Recovery Rate (CRR) Operating Costs as a Percentage of Sales

The CRR is calculated as a percentage of total sales. This percentage varies depending on the amount of Non-Energy Supply sales for a respective year. DLA has successfully reduced the Non-Energy Supply chain CRR since FY04. If the FY04* rate remained constant, it would currently be at 15.5%; however, it has decreased each year and is 14.2% for FY08. The rate will continue to decrease through FY09, where the CRR is approved at 14.0%.

*FY04 was selected as the starting point since reutilization and over-ocean transportation costs were removed from this Non-Energy Supply CRR starting that year.



Defense Logistics Agency (DLA) Programs

DLA Enterprise Business System (DLA EBS) (Supports Priorities 2 and 4)

Description

EBS, DLA's Enterprise Resource Planning (ERP) platform for supply chain management, was developed and introduced into DLA operations with investment dollars managed through Business Systems Modernization (BSM), Customer Relationship Management (CRM) and Product Data Management Initiative (PDMI) programs. BSM, CRM and PDMI, along with the Reutilization Business Integration (RBI) initiative, are now part of the EBS process/systems integration framework.

BSM allowed for the successful integration of business processes with a new Enterprise Business System (EBS) based on Commercial Off-the-Shelf (COTS) software and best business practices. EBS provides an Information Technology (IT) foundation, which allows for both continuous process and technology insertion. This enables DLA to fully implement electronic business, web-based technologies and an interoperable data environment to be compliant with the Global Information Grid and data exchange standards (e.g., ANSI ASC X12) necessary for DLA to interoperate with its customers and suppliers. DoD and DLA are striving to align business practices with best commercial practices by reengineering logistics processes at all echelons.

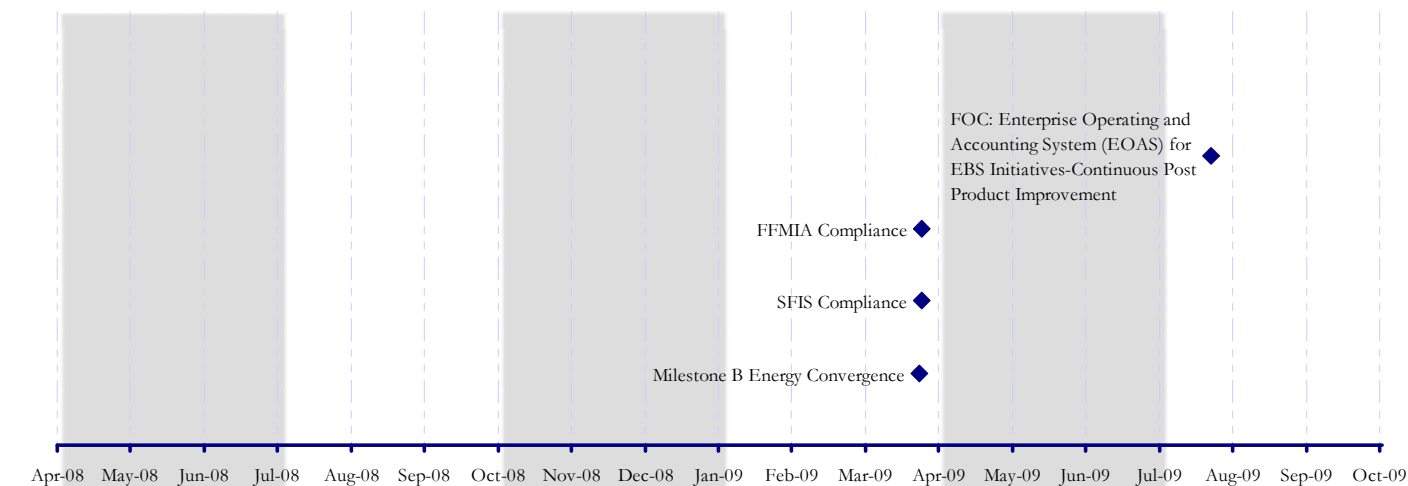
Approach

As EBS continues to evolve, expansion of the capabilities and benefits introduced under the BSM program will be added through investments such as the Enterprise Operational Accounting System (EOAS), Enterprise Procurement (eProcurement), Energy Convergence and the Retail Integration efforts required by Base Realignment and Closure (BRAC).

Benefits

Increase in service level; decrease in cost; decrease in cycle time, increase in financial accountability; increase in business alignment to warfighter

Timeline Diagram



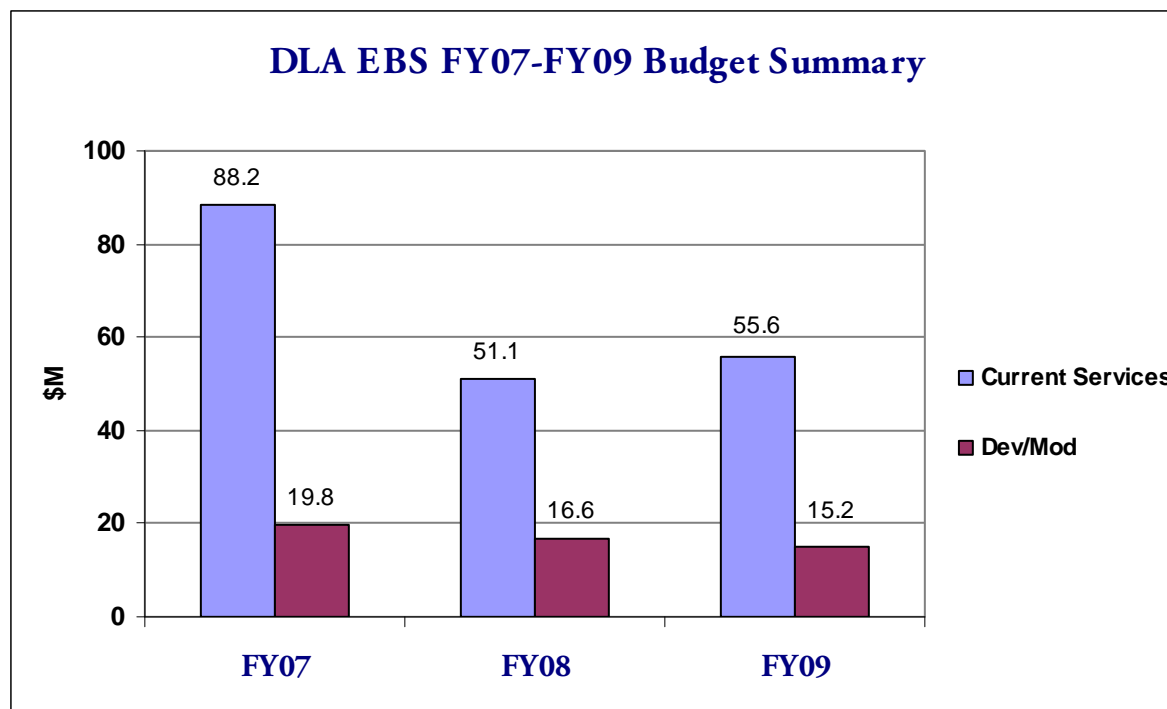
Legacy System Term Date

DISMS	Jan-05
SAMMS	Sep-07



DLA Enterprise Business System (DLA EBS)

EBS FY07-FY09 Budget Summary and Details



EBS was developed and introduced into DLA operations with investment dollars managed through BSM, CRM and PDMI programs. The continuing enhancement, maintenance and sustainment of EBS at proposed levels includes modernization, technology upgrades and capability improvements, which are required to support future critical system change requests, enhancement initiatives and projects to extend the DLA Enterprise in response to evolving business needs and requirements.

The above graphic reflects funding for the BSM piece of EBS only. Funding formerly associated with CRM and PDMI has been incorporated into the EBS budget line; however, this change does not take effect until FY10.

Accomplishments/Capabilities Delivered:

- Technical upgrades to the EBS platform were completed Q3 FY08. Upgrades to EBS are focused on performing product upgrades exclusively (except for the Finance process area) and maintaining the integrity of existing system functionality in the new versions.
- Created more effective operational alignment through the establishment of Strategic Material Sourcing Groups (SMSG); implemented Supplier Collaboration for selected sole-source vendors for Time Phased Inventory Plans, thereby increasing process performance.
- EBS implementation has enabled the ability to focus efforts more effectively on developing strategic partnerships and improved sourcing strategies through the SMSG that result in reduced lead times, reduced stock outs and improved supplier performance.
- Implemented collaborative demand planning with selected, high-impact DLA customers to improve forecast accuracy for materiel critical to customer mission; enabled replacement of the legacy Special Program Request (SPR) process improving process performance.
- EBS implementation has enabled customers and DLA demand planners to collaborate and adjust forecasts for critical demand forecasting units (materiel) based on customer intelligence and actual



DLA Enterprise Business System (DLA EBS)

historical demand; implementation has also provided the ability to improve service levels, reduce lead time and optimize inventory investment through improved forecast accuracy.

Near-Term Plans:

- EOAS is a planned post production enhancement, which will add to EBS capabilities for all operational accounting functions, business areas and DLA organizations not originally intended to be addressed by the BSM program. The result will be a financially compliant Enterprise-wide financial system. These capabilities are scheduled to be deployed with an EBS technical upgrade in October 2008
- DLA eProcurement is a planned post production enhancement, which will integrate procurement functional capabilities with the ERP and add DLA organizations not originally intended to be addressed by the BSM program. The result will be an Enterprise-wide contracting investment replacing the existing DLA Pre-Award Contracting System (DPACS) capability. Plans are to begin the design phase of this initiative by September 2008.



Common Food Management System (CFMS) (Supports Priority 2)**Description**

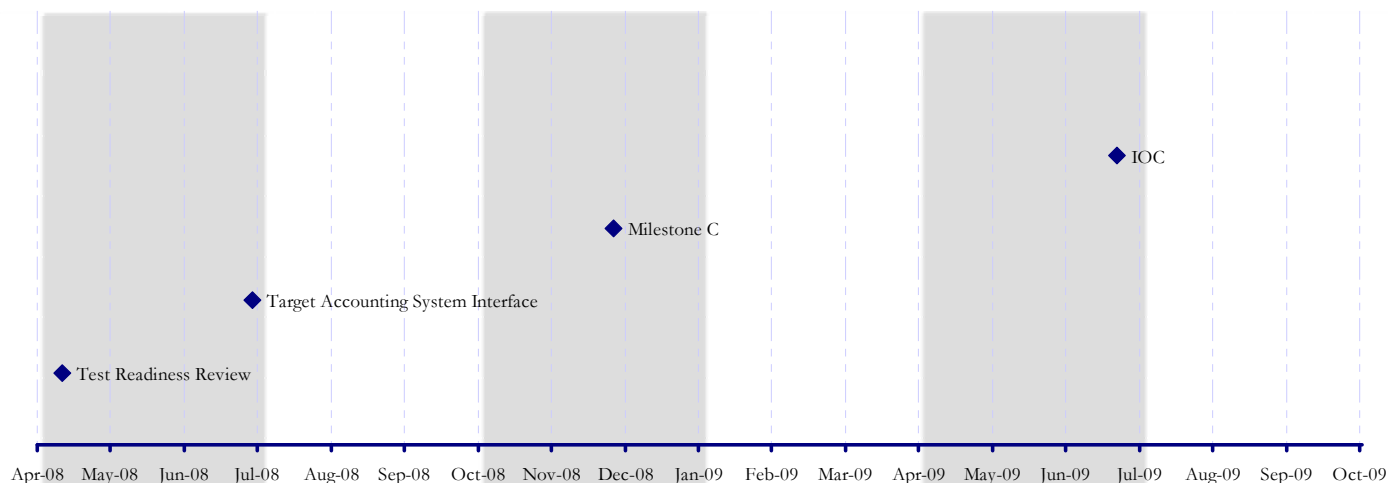
CFMS is a DLA-financed and DLA-coordinated effort to develop a single food management system for the Military Services. CFMS will combine retail functionality with the wholesale functionality of Subsistence Total Ordering and Receipt System (STORES) into a single system supporting the entire Class I (subsistence) Supply Chain. CFMS will provide core food management functionality in a single increment, followed by subsequent releases to address military unique business requirements.

Approach

CFMS will produce a demand-driven, integrated supply chain that will leverage commercial best practices and Commercial Off-the-Shelf (COTS) products to automate the management of subsistence. The CFMS architecture supports Enterprise Integration by implementing a flexible architecture to facilitate systems integration and data availability. CFMS is being implemented using a COTS food management application to eliminate obsolete Military Service food management systems and to integrate the Class I supply chain from demand (point-of-sale) to supply (institutional distributors).

Benefits

- Increase in service level
- Decrease in cost
- Decrease in cycle time
- Increase in financial accountability

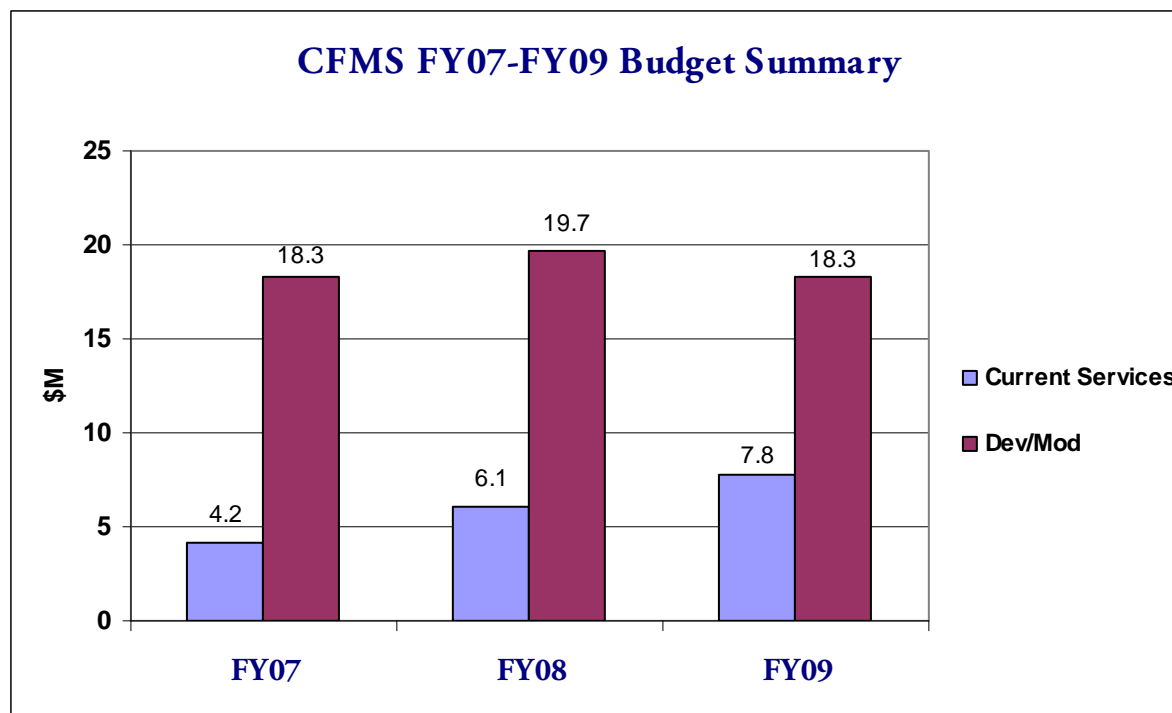
Timeline Diagram**Legacy System Term Date**

AFMIS	Jul-10
MCFMIS	Sep-11
NFMIS	Dec-12
CFS	TBD



Common Food Management System (CFMS)

CFMS FY07-FY09 Budget Summary and Details



Planned funding for CFMS integrates EBS through subsistence catalog and financial management capabilities. Benefits of CFMS include a common system for all Services that provides Field (Afloat and Ashore) Feeding support; enhanced recipes and menus; automated point of sale functionality and enterprise reporting.

The CFMS Program currently has sufficient funds to accomplish these tasks during FY08 and FY09.

Accomplishments/Capabilities Delivered:

- CFMS has completed initial development of an IT system that performs all the Service-identified functions essential to food management support. Additional functionality, as requested by the Services, will be developed as Pre-Planned Product Improvements for release in future spirals.

Near-Term Plans:

- The CFMS program management office is currently evaluating options to determine a viable alternative to accelerate the Ashore and Afloat pilot demonstrations. Sites selected for CFMS pilot efforts include Fort Eustis, Virginia (Army); Fleet Combat Training Center, Dam Neck, Virginia (Navy); Quantico, Virginia (Marine Corps) and Eglin Air Force Base, Florida (Air Force).
- During the remainder of FY08 and FY09, CFMS plans to accomplish the following:
 - Complete integration of the COTS product with Reports, Interfaces, Conversions and Extensions (RICE) objects.
 - Complete developmental and other testing required to accomplish Information Assurance (IA) and other certifications required to operate and connect CFMS at Defense Information Systems Agency (DISA) and all the Military Service environments.
 - Complete User Acceptance Testing Q4 FY08.
 - Initial Operational Test and Evaluation (IOT&E) will begin Q1 FY09 (November and December) with the Army and Navy Shore Pilot sites followed by the Air Force and Marine Corps Pilot sites in Q2 FY09 (January and February).



Common Food Management System (CFMS)

- Demonstrate CFMS in a production environment during a pilot at a limited number of Service dining facilities and galleys.
- CFMS Milestone C, Q1 FY09 and approval to proceed to full-rate deployment. After Milestone C CFMS will measure deployment status against annual plans to track progress towards Full Operational Capability (FOC). Currently, CFMS is planning to deploy on the following schedule:
 - FY09: 95 dining facilities/galleys
 - FY10: 372 dining facilities/galleys
 - FY11: 467 dining facilities/galleys
 - FY12: 200 dining facilities/galleys
- CFMS will achieve Initial Operational Capability (IOC), Q3 FY09.



Integrated Data Environment (IDE) (Supports Priority 2)**Description**

IDE addresses mission deficiencies by creating an environment that enables DLA and the extended DoD Logistics Enterprise to take advantage of emerging knowledge-centric practices, processes, applications and decision support tools by providing for the full integration and exchange of logistics data.

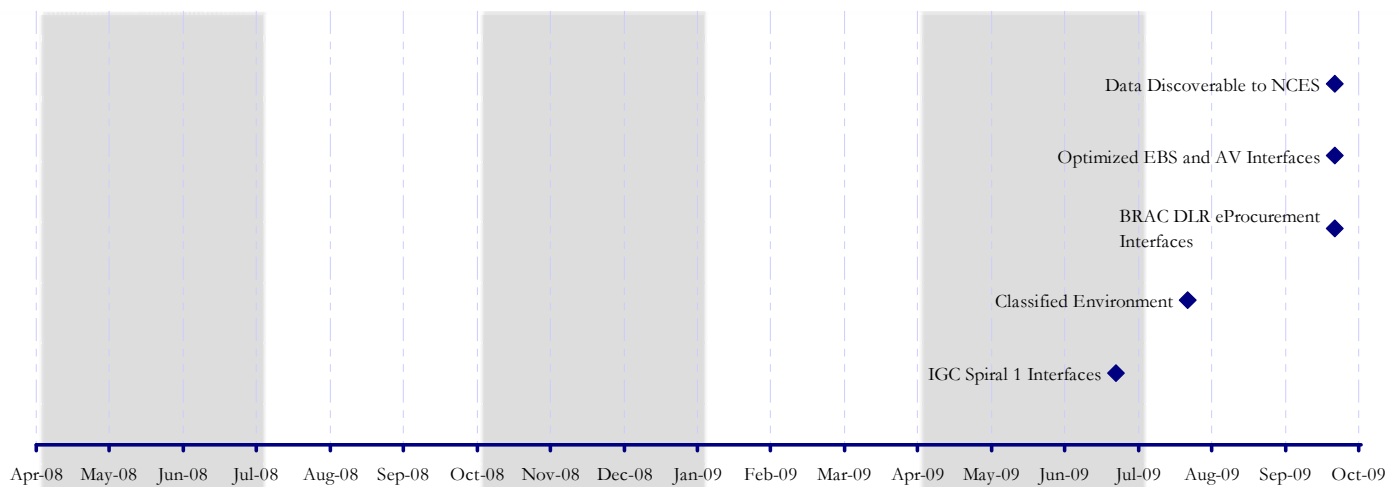
DLA and the DoD Logistics Enterprise need the capability to integrate and share timely logistics data, systematically and broadly improve the quality of logistics data, reduce cycle times for fulfilling data requirements and efficiently and effectively support and evolve with the Global Combat Support System, Family of Systems (GCSS FoS)

Approach

IDE is the single-point-of-access for the exchange of DLA data between internal and external consumers of data. IDE Phase II expands current infrastructure for data brokering and information sharing services. IDE will make DLA-managed data discoverable for the Military Services and Defense Agencies by deploying an IDE metadata repository and data discovery capabilities that address Military Service requirements for data from DLA's Enterprise Business System. IDE indirectly supports improved logistics supply chain management, distribution and transportation processes by providing access to data and information.

Benefits

Reduction in number of system-to-system interfaces; assured data access to supply chain and reference data; single point of access and exchange of data between DLA and United States Transportation Command (USTRANSCOM) systems and other DoD/commercial trading partners; modernized business rule management capability; improved data quality; and achievement of net-centric tenets (Only Handle It Once, post in parallel, smart pull, data centric and quality of service). Increase in service level; decrease in cost; increase in asset utilization; increase in horizontal integration

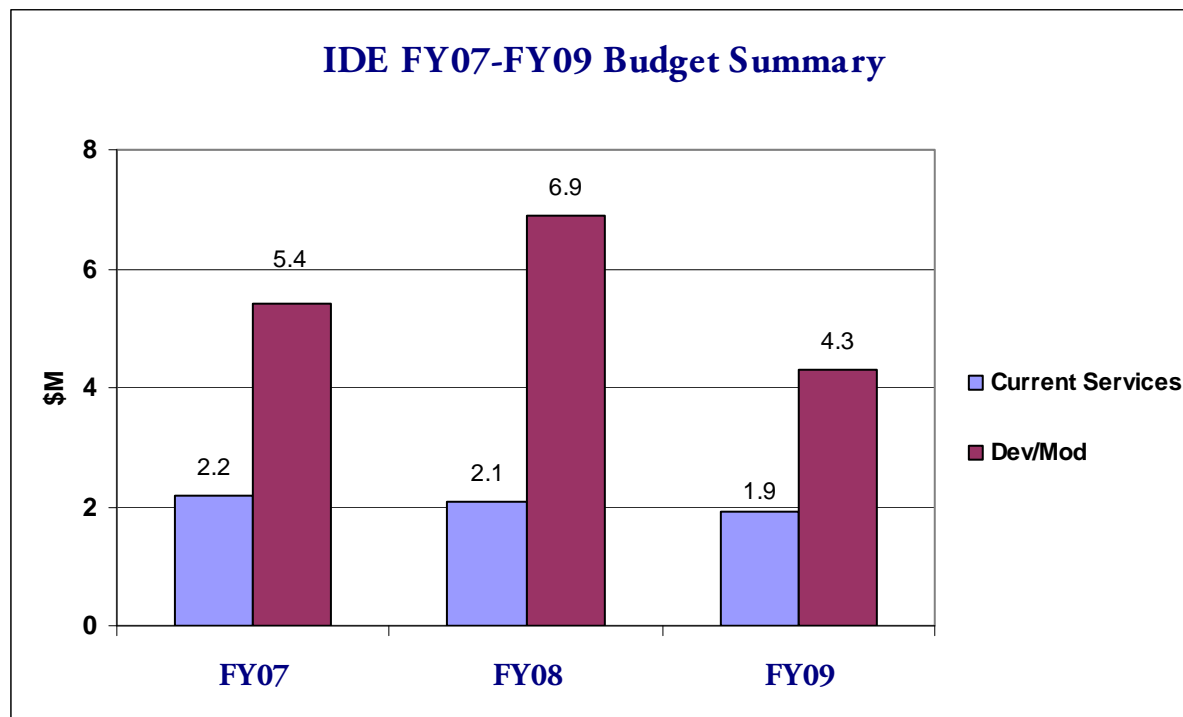
Timeline Diagram

Initiatives Do Not Include Legacy Migrations



Integrated Data Environment (IDE)

IDE FY07-FY09 Budget Summary and Details



The program will reach Full Operational Capability (FOC) in Q4 FY10 (based on inclusion in IDE/Global Transportation Network (GTN) Convergence (IGC)). A large number of data services have been developed and are available for reuse and will not require development/modernization funding; rather, program sustainment funding will be used. For new requirements outside of planned development efforts, IDE will be reimbursed by customer systems.

Accomplishments/Capabilities Delivered:

- Completed migration of IDE development and testing environments from the DLA Enterprise Data Center (EDC) to the Defense Enterprise Computing Center (DECC) facility in Mechanicsburg, Pennsylvania and established IDE Continuity of Operations (COOP) at DECC, Ogden, Utah.
- Data from BSM-Energy legacy system provided to decision support systems (Asset Visibility, Node Management and Deployable Depots Advanced Concept Technology Demonstration) enhanced visibility of inventory and operational energy data. Created multiple interfaces between Defense Finance & Accounting Service (DFAS) and commercial banks to enable the EOAS capability.
- IDE established the following data interfaces during FY08:
 - DoD EMALL and EBS provide the Military Services with data required for supply supportability analysis.
 - GTN Pre-planned Product Improvement (GTN P3I) Enterprise Data Warehouse (EDW), key DoD transportation systems and the Defense Automatic Addressing System Center (DAASC) provide data needed for the Air Mobility Command's World-wide Express dashboard capability. These interfaces also support migration of the USTRANSCOM Business Decision Support System data into the EDW.



Integrated Data Environment (IDE)

- Completed multiple interfaces between the Military Service's supply and distribution systems and DLA's EBS and DSS to support Base Realignment and Closure (BRAC), Depot Level Repairable (DLR) and Supply Storage and Distribution (SS&D) initiatives.
- IDE supported pre-acquisition activities for IGC including inputs to program documentation and development of the request for quote (RFQ) which was released in Q2 FY08.

Near-Term Plans:

- In FY09, IDE program becomes part of the IGC program, a system-of-systems program aimed at leveraging IDE data brokering capabilities to efficiently support both USTRANSCOM and DLA business transformation efforts. Under IGC, the IDE program will:
 - Broker data from additional DoD transportation systems to provide data planned for IGC Spiral 1 – supporting the retirement of legacy GTN, Q3 FY09.
 - Broker data required for the DLA eProcurement capability – supporting the retirement of the legacy government off-the-shelf (GOTS) procurement system portion of EBS and BRAC DLR requirements, Q4 FY09.
 - Optimize interfaces and data sharing supporting EBS and Asset Visibility and respond to data brokering requirements for emerging DLA and USTRANSCOM programs – reducing duplicative interfaces and improving EBS and AV performance, Q4 FY09.
 - Establish an IDE classified capability – supporting IGC and AV classified data requirements in support of Global Combat Support System – Joint (GCSS-J), Q4 FY09.
 - Make DLA and USTRANSCOM metadata, web services and documents discoverable via Net-Centric Enterprise Services, Q4 FY09.



DLA

DLA's vision is to extend the Enterprise forward to meet the needs of the warfighter by providing the right item, right service, at the right place, right time...every time. To achieve this vision, DLA has embraced three major strategic thrusts, each designed to move the Agency beyond its traditional wholesaler responsibilities. They are:

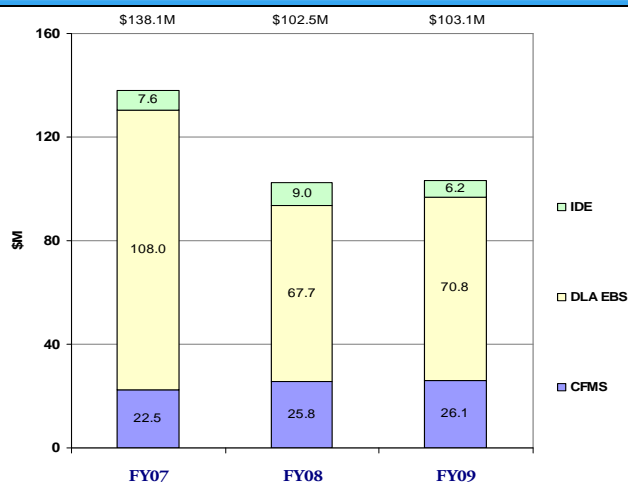
- **Extend the Enterprise**—this strategic thrust provides focus and organization to the effort to move DLA closer to the warfighter. At its heart, "Extend the Enterprise" is about geographically expanding current capabilities and competencies, acquiring new capabilities and making all capabilities more accessible to the warfighter. DLA employees, inventories and logistics capabilities will be located forward, beyond traditional Agency borders, to capitalize on best value opportunities to improve warfighter readiness. This strategy will allow DLA to extend deeper into customer operations and to expand business operations through Base Realignment and Closure efforts.
- **Connect Warfighter Demand with Supply**—this strategic thrust leverages multiple DLA initiatives to establish a seamless, effective and efficient supply network that links the Services to the source of their material—the American industrial base. This strategy transforms demand planning capabilities and the processing of demand signals throughout the supply chain. DLA will improve forecast accuracy through collaboration and improve supplier performance and reduce delivery time through collaborative supply planning and strategic material sourcing.
- **Deliver Supply Chain Excellence**—this strategic thrust recognizes that warfighter support diminishes if a supply chain sub-optimizes or fails to perform. Because processes are embedded in the systems of an enterprise, systems reengineering is at the heart of process reengineering. DLA will focus on improving and refining the overarching DoD business model by leveraging information technology. Achieving supply chain excellence depends on human capital. DLA will ensure the workforce is enabled, empowered and motivated to deliver and sustain supply chain excellence. Both process reengineering and workforce empowerment will be enhanced through the application of continuous process improvement strategies

DLA's three strategic thrusts are foundational to the Agency's four priorities.

Priorities

- Warfighter Support—Maximize warfighter potential
- Internal Processes—Improve DLA performance through better processes and business arrangements
- Learning and Growth—Ensure a diverse, enabled, empowered and motivated workforce that delivers and sustains supply chain excellence
- Stewardship—Manage DLA resources for best customer value

FY07-FY09 Budget Summary



EBS, DLA's Enterprise Resource Planning platform for supply chain management, was developed and introduced into DLA operations with investment dollars managed through BSM, CRM and PDMI programs.

The above graphic reflects funding for the BSM piece of EBS only. Funding formerly associated with CRM and PDMI has been incorporated into the EBS budget line; however, this change does not take effect until FY10.

Systems & Initiatives

Transformational

Common Food Management System (CFMS)

Integrated Data Environment (IDE)

DLA Enterprise Business System (DLA EBS)

Fully Implemented

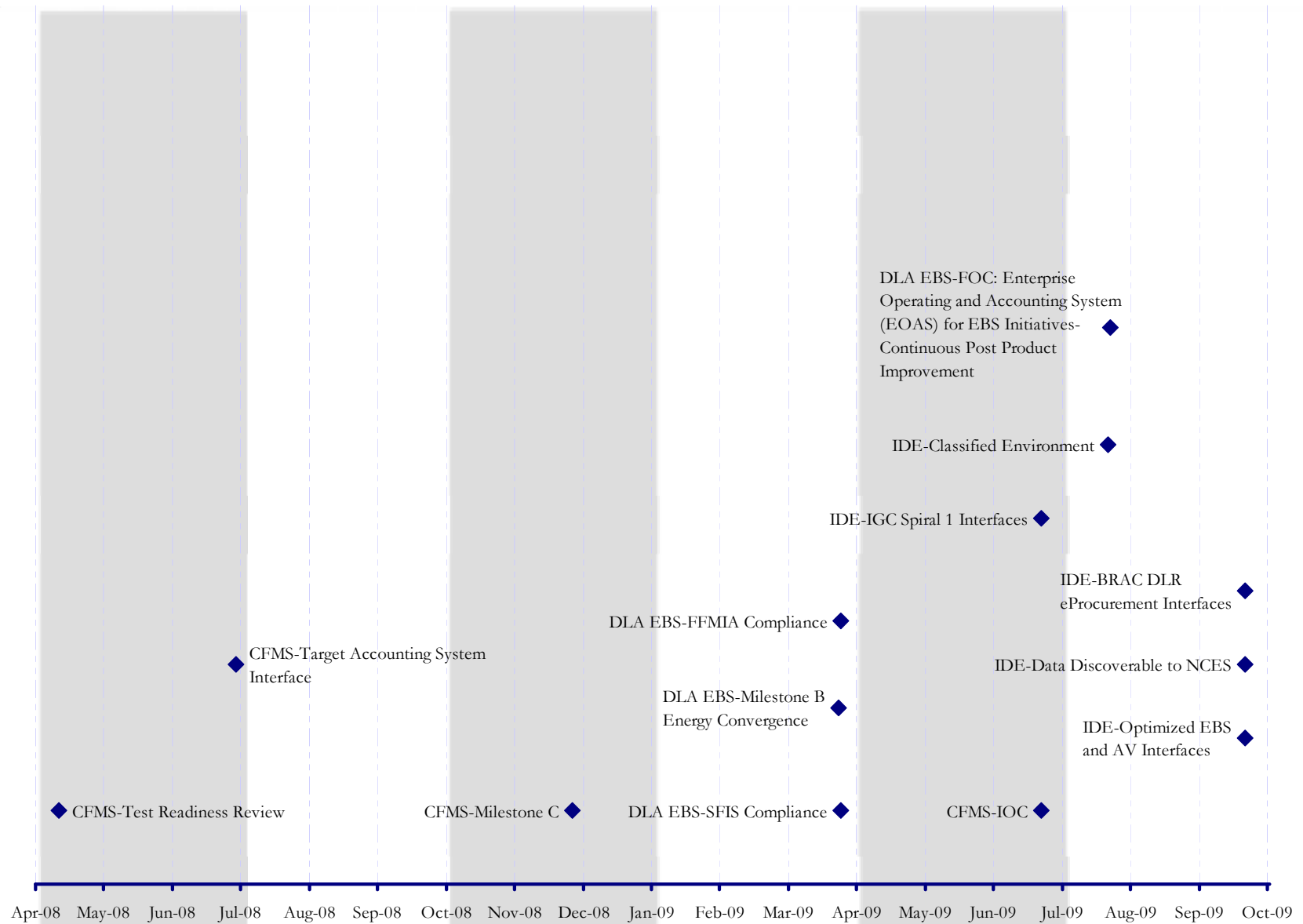
None

Changes since the March 2008 Congressional Report

The continuing enhancement, maintenance and sustainment of EBS at proposed levels includes modernization technology upgrades and capability improvements which are required to support future critical system change requests, enhancement initiatives and projects to extend the DLA Enterprise in response to evolving business needs and requirements.



DLA Milestone Summary



Case in Point: DLA Warner Robins Industrial Site Following BRAC Transition

The Base Realignment and Closure (BRAC) 2005 Supply and Storage decisions represent a major transformation of DoD's supply chain, consolidating targeted procurement, item management and supply, storage and distribution activities in a single DoD agency—DLA. One of the BRAC decisions – Supply, Storage and Distribution (SS&D) Management Reconfiguration—is well under way at the three Air Force Air Logistics Centers (ALCs). These will be followed by three Navy Fleet Readiness Centers, two Navy Shipyards, two Marine Corps Logistics Bases and three Army Depots between August 2008 and September 2011. The decision integrates DLA wholesale with military service consumer level supply processes and materiel, establishing DLA as an integrated end-to-end supply provider in support of industrial depot maintenance requirements. The BRAC SS&D changes will provide DoD with in-transit cargo visibility, real-time inventory accountability and improved customer service through improved sensing of demand signals, tailored inventory strategies and a decrease in wait time for parts. This aligns with all objectives listed for the DoD Business Enterprise Priorities of Acquisition Visibility and Materiel Visibility.

BRAC SS&D implementation started at Warner Robins Air Logistics Center (ALC), where 240 employees in the 702nd Maintenance Support Squadron transferred in place to DLA on October 15, 2007. The new DLA-Warner Robins employees are integrated throughout the ALC, providing supply, storage and distribution support for aircraft flight, electronic products, depot products and other maintenance areas.

The effort to transfer employees and functions from the Air Force to DLA involved months of joint collaboration across a series of Integrated Process Teams (IPTs) with representatives from DLA HQ and Field Activities, Air Force Materiel Command (AFMC) HQ and the ALCs. This transition included forging financial, human resources, facilities, information technology and supply agreements. People were informed through a variety of communications and Air Force and DLA senior leaders and subject matter experts held multiple Town Halls at Warner Robins (as well as the other ALCs), answering employee questions and concerns.

Overall, employees have said the transition to DLA has been positive. Mike Williams, C-5 materiel, storage and distribution chief, DLA-Warner Robins commented, “As far as looking at the bigger scope, I was glad to make the transition to DLA. It helps the Air Force because their supply is shrinking. With DLA coming on board it relieves the Air Force assets. DLA is taking responsibility for managing the moving, storing and shipping of the materials.”

After the “Day One” initial transfer of employees, teams embarked on planning “Day Two” and “To-Be” process, policy, organization and systems changes needed to achieve the end-state required to fully meet the objectives of the BRAC legislation. DLA-Warner Robins employees are helping make the necessary changes in how DLA does business so DLA can succeed at its new mission of providing supply support directly to industrial maintenance customers. Bringing highly trained and experienced personnel from the Military Services to DLA extends DLA's reach closer to the customer, enabling DLA's Strategic Thrusts of Extending the Enterprise and Connecting Warfighter Demand with Supply.

October 2008 will mark one year of operations for DLA-Warner Robins. DLA and the Air Force have demonstrated their joint ability to transfer people and SS&D functions with the successful efforts at Warner Robins, Oklahoma City and Ogden ALCs. Several forward-looking process, system and organizational changes will be implemented over time to achieve the “To-Be” operational end-state called for in BRAC legislation and DoD's Business Enterprise Priorities.

At end-state, the Military Services and DLA will have forged an end-to-end DoD logistics solution that strikes the targeted balance between effectiveness, agility, reliability, speed, visibility and cost. This solution delivers economies and efficiencies that enhance the effectiveness of logistics support to operational joint and expeditionary forces and ultimately enhance warfighter readiness.



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Chapter 9: U.S. Transportation Command

US Transportation Command (USTRANSCOM) Transformation Vision and Strategy

USTRANSCOM is assigned significant responsibilities for coordinating and synchronizing Department of Defense (DoD) distribution. Providing rapid global mobility support to the warfighter, across the full range of military operations, in an era of transformation presents several unique challenges in the areas of readiness, modernization, process improvement and support to our people.

As a supporting command, USTRANSCOM is working to improve DoD deployment and distribution operations and increase Joint Force Commanders' freedom of action across the full range of military employment. As directed by the Unified Command Plan and DoD Directive 5158.4, USTRANSCOM will:

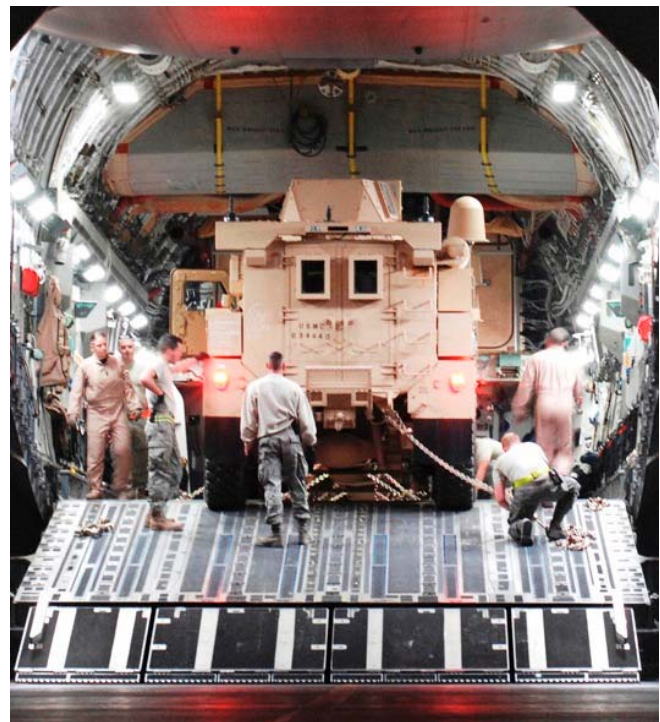
- Provide common-user and commercial air, land and sea transportation, terminal management and air refueling to support global deployment, employment, sustainment and redeployment of US forces.
- Serve as the Mobility Joint Force Provider to identify and recommend global joint sourcing solutions to the Chairman and supervise implementation of associated decisions.
- Provide DoD global patient movement through the Defense Transportation System (DTS).
- Serve as the Distribution Process Owner (DPO) to coordinate and oversee the DoD end-to-end (E2E) distribution system and to develop distribution process improvements that enhance the defense logistics and global supply chain management system.

USTRANSCOM's basic strategy is to maintain excellence in the command's enduring transportation and global patient movement missions, while seeking to improve distribution processes for the warfighter. USTRANSCOM's vision remains the same:

USTRANSCOM is responsible for creating and implementing world-class global deployment and distribution solutions in support of President, Secretary of Defense and Combatant Commander assigned missions.

The four long-range strategic goals that support this vision remain:

- Mature the Joint Deployment and Distribution Enterprise (JDDE)—In synch with our JDDE partners, improve the precision, reliability, visibility and efficiency of the DoD supply chain.
- Leverage Collaboration and Partnerships—Leverage the DPO governance structure to improve distribution effectiveness, efficiency and unity of effort. Forge closer partnerships with the Defense Logistics Agency (DLA), the US Joint Forces Command and coalition partners to align processes.
- Develop Expeditionary Approaches—Mature new capabilities such as Joint Task Force-Port Opening (JTF-PO) for air and sea ports. Exploit joint training and exchange opportunities to enhance operational competence of JDDE personnel.



- Enable Joint Distribution Concepts – Transform the Joint Logistics (Distribution) Joint Integrating Concept (JL (D) JIC) vision into capability solutions. Lead development of DoD adaptive planning process changes and supporting tools necessary to fully integrate deployment and distribution.

USTRANSCOM, its Military Service components and our enterprise partners have made significant progress in advancing and maturing the JDDE. Going forward, the Command will continue to build upon those successes. USTRANSCOM will enhance E2E visibility, from forecasting joint distribution and movement requirements to flowing forces and sustainment materiel through the Defense Transportation System. USTRANSCOM will also increase the emphasis on transparency, making data available and improving decision support to warfighters and service providers alike.

USTRANSCOM is responsible for synchronization and interoperability of distribution-related activities supporting force projection, sustainment and redeployment/retrograde of military forces and materiel. In the role of DPO, USTRANSCOM continues to develop unique and innovative approaches for synchronizing the distribution pipeline. While USTRANSCOM does not own all segments of the supply chain, the Command has a responsibility to exercise a span of influence throughout the entire distribution process, as depicted in the below figure. USTRANSCOM actively works to strengthen teamwork among the JDDE Community of Interest (COI) members to increase the momentum of change.

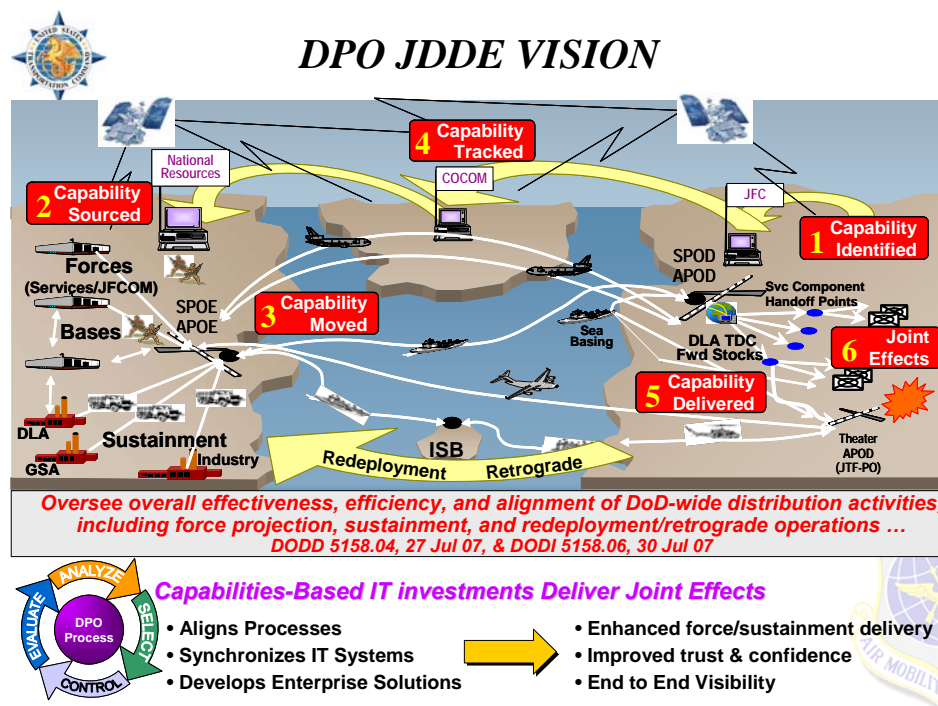


Figure 9-1: USTRANSCOM Distribution Process Owner (DPO) Responsibility

Key elements of our strategy to achieve this vision include having E2E Total Asset Visibility (TAV) and In-transit Visibility (ITV); improving decision cycle time by providing Information Technology (IT) support to turn real-time distribution data into actionable information; promoting DoD-wide financial accountability solutions; and optimizing E2E distribution through improved and standardized resources, processes and systems. USTRANSCOM is putting in place agreements with its JDDE COI partners to optimize cooperation across the DPO Span of Influence.

To realize these strategic goals, USTRANSCOM is transforming from a systems-oriented delivery focus to an enterprise-services focus to improve delivery of capability to the warfighter. This capability-focused initiative is referred to as the Corporate Services Vision (CSV). The CSV, combined with the revised and improved USTRANSCOM Corporate Governance Process (CGP), will deliver new capabilities by leveraging, when possible, capabilities or services in existing programs of record to reduce redundancies while increasing the speed of delivery of new capabilities into the warfighter's hands.

USTRANSCOM Business Transformation Overview

Key elements required to successfully achieve the Command's goals include:

Visibility: USTRANSCOM as the DPO must have visibility of requirements. What does the warfighter need? From where can the requirement be satisfied? How does USTRANSCOM maintain and provide visibility of requirement fulfillment?

Information Technology: The JDDE must have the ability to share data and information in near real-time. This includes information on requirements, material availability, material location and movement data. Investments in information technology will be controlled and managed through the CGP and focused on delivering the CSV. The CSV will deliver a shared data and information environment for the DPO's customers.

Financial Accountability: The Defense Transportation System in Fiscal Year 2008 (FY08) was an approximately \$10B enterprise. It is absolutely essential that USTRANSCOM perform as a good steward of the taxpayer's funding. Revenues to and expenditures from the Transportation Working Capital Fund (TWCF) must be transparent and easily understood.

E2E Distribution: Deployment and Distribution are achieved via a predetermined set of processes and systems. The Command is continually reviewing these processes and systems in an effort to standardize and improve them and their resultant outcomes.

USTRANSCOM Priorities Overview

These key elements are the foundational basis for the four USTRANSCOM transformational priorities established to achieve the four strategic goals listed above.

1. End-to-end Visibility—develop an optimal distribution process that enables command and control (C2) and the ability to deploy joint theater logistics C2, while simultaneously improving asset visibility, effectiveness and efficiency throughout DoD.
2. Information Technology Optimization of Capabilities—maximize distribution effectiveness through the CSV, thus providing optimized E2E Joint Deployment and Distribution IT capabilities.
3. Financial Accountability—provide superior data control and accountability by developing Chief Financial Officer (CFO)-compliant financial IT systems to consolidate/replace legacy systems.
4. Execution Effectiveness—achieve 100% TAV and ITV of all materiel and forces; standardize aerial and surface port IT capabilities, processes, procedures and tactics.

As with the Command's four strategic goals, each of these priorities carries an equal weight. All are considered essential to the successful future implementation of any transformational effort. The priority mapping in the table below indicates which priority each program and initiative supports and does not imply any precedence or degree of importance.

USTRANSCOM Program and Initiative to Priorities Mapping

Programs and Initiatives	Priorities			
	1	2	3	4
Agile Transportation for the 21 st Century (AT21)	•			
Integrated Data Environment/Global Transportation Network Convergence (IGC)		•		
Common Operating Picture for Distribution and Deployment (COP D2)		•		
Customs Process Automation (CPA)		•		
Defense Personal Property System (DPS)		•		
Defense Enterprise Accounting and Management System (DEAMS)			•	
Defense Transportation Coordination Initiative (DTCI)				•



Programs and Initiatives	Priorities			
	1	2	3	4
Joint Task Force – Port Opening (JTF-PO)				•
Fusion Center (FC)				•
Port Management Automation (PMA)				•
Theater Distribution Management (TDM)				•
Joint Distribution Process Analysis Center (JDPAC)				•

USTRANSCOM Priority #1: End-to-End Visibility

“Not many people actually know what goes on here at Scott Air Force Base and that’s OK,” said General Norton A. Schwartz, former USTRANSCOM Commander. “The truth is, that it is really the engine of the Department of Defense capability to move forces, to sustain our troops when they’re in the field, to operate our aeromedical evacuation capability and of course, it’s a business. Those of you that are in business know, supply chain is a science, in that instead of doing our work based on experience and intuition, as valuable as that is, that there is a necessity here to organize ourselves in a way that allows us to operate much more like the best companies in the country.” The best way to describe E2E visibility is to use a United Parcel Service analogy that General Schwartz, USTRANSCOM’s Commander, provided: “You send me something and I can track it on the Web and know where it is at any point in time. In that engine there is trust and confidence. That same sort of insight needs to be available in the DoD supply chain.” To that end, the USTRANSCOM Commander’s Guidance for 2008 has designated this year as the Year of Visibility. “We’ll enhance E2E visibility, from forecasting joint distribution and movement requirements to flowing forces and sustainment materiel through the Defense Transportation System.”

The strategy to achieve E2E visibility was to first perform in depth analysis to identify gaps in the current E2E process. Based on analysis results, USTRANSCOM is establishing an enterprise IT infrastructure and a Joint Deployment and Distribution Architecture (JDDA) to automate improved processes, data and tools. The transformation program supporting this priority is Agile Transportation for the 21st Century (AT21). The E2E visibility priority supports the Business Enterprise Priority of Materiel Visibility.

Transformational Activities

USTRANSCOM is designated as the lead functional proponent for Radio Frequency Identification (RFID) and related Automated Identification Technology (AIT) implementation for the DoD supply chain. This clarifies the role of the DPO in executing an AIT implementation strategy and developing a centralized approach for use of these asset visibility technologies. AIT is a suite of technologies, which enables capture of source data, thereby enhancing the ability to identify, track, document and control material, maintenance processes, deploying and redeploying forces, equipment, personnel and sustainment cargo. This suite includes Linear Bar Codes, two-dimensional Symbols, Optical Memory Cards, Satellite-Tracking Systems, Contact Memory Buttons and RFID tags.

Accomplishments/Capabilities Delivered:

- Since designation as the functional proponent, USTRANSCOM has established over 3100 Tag Read/Write sites in 30 countries that operate on an approved global frequency; compatible with coalition partners. This system can report location/condition/security of supplies through four regional servers located close to the customer (one each in Continental United States (CONUS), Europe, Southwest Asia and the Pacific theaters). This proximity allows for fast access to information. The system also replicates data across network allowing for data to still be available if one server inoperative. The system is scalable and flexible with mobile kits (tag readers and writers) providing rapid deployment providing absolute, complete and total support to the warfighter.



Near-Term Plans:

The DoD AIT Concept of Operations (CONOPS) for Supply and Distribution Operations articulates DoD's vision for AIT over the next 7-10 years.

- Will use a building block approach in the CONOPS.
- Want to capture asset level detail on items across the supply chain, whether those items are in-process, in-storage at a distribution center, or in-transit to an end customer.
- The AIT solution is composed of a baseline consisting of a primary AIT that all users should move towards in their business processes and a secondary or back-up AIT in case the primary does not work or cannot be used (for example, passive RFID cannot be used currently for munitions).
- “Premium” or enhanced AIT can be used above and beyond the baseline AIT for reasons such as security, perishables, near-real-time location, safety, or a requirement for content-level detail on the AIT media itself (i.e., data rich).
- Premium AIT includes satellite, cellular, or sensor technology and data rich active RFID tags.

USTRANSCOM Priority #2: Information Technology Optimization of Capabilities

This priority is to maximize distribution effectiveness by providing optimized E2E Joint Deployment and Distribution IT capabilities. The strategy to achieve this priority is to provide Combatant Commands (COCOMs), Military Services and Defense Agencies a cohesive IT environment to manage supply, distribution and logistics information. A single repository will be created for consistent access to common, authoritative data by DLA, USTRANSCOM and others. The Information Technology Optimization of Capabilities priority supports the Business Enterprise Priorities of Acquisition Visibility, Material Visibility and Financial Visibility. The strategy to achieve this priority includes implementing the following key capabilities through the CSV:

- Single sign-on to the Global Combat Support System-Joint (GCSS-J) portal improves warfighting user experience.
- Publish/Subscribe access to data promotes reliable and uniform decision-making.
- Enterprise Data Warehouse in place for supply chain, distribution and logistics data.
- Enterprise data brokering provides JDDE data and status suitable for COCOMs.

Transformational Activities

Corporate Services Vision (CSV): In addition to the enhancements and consolidations being made to the Defense Transportation System, there are other transformational activities occurring in the Distribution enterprise that support warfighters across DoD. In July 2004 the Deputy Under Secretary of Defense (DUSD) for Acquisition, Technology and Logistics (DUSD (AT&L)) and Joint Staff (JSJ4) jointly designated Commander USTRANSCOM as Distribution Portfolio Manager (DPfM) with responsibilities to include the subset of systems providing key capabilities in support of distribution (sustainment and force movement) related activities and to serve as the integrating officer for Distribution Architecture subset of the Logistics Architecture (Business Enterprise Architecture-Logistics).

In addition, the Deputy Secretary of Defense in May 2006 directed that USTRANSCOM oversee overall effectiveness, efficiency and alignment of DoD distribution activities, including force projection, sustainment and redeployment.

To realize these directed changes to the USTRANSCOM mission and sphere of influence, the DPfM has developed a transformational initiative referred to as the CSV. The CSV leverages an enterprise architectural framework, combined with enterprise engineering rigor to implement Distribution capabilities in a more investment efficient methodology. CSV delivers robust reusable capabilities for the warfighter.

Accomplishments/Capabilities Delivered:

- Improved the USTRANSCOM senior leader governance processes to better support the Distribution portfolio needs as well as deliver CSV.



- Conducted Capabilities Based Analysis Teams for key Distribution consolidation and process improvement opportunities.
- Established enterprise engineering capability for Distribution Q2 FY08.
- Delivered global manifest pilot services in Q2 FY08.
- Awarded revised enterprise architecture contract in Q3 FY08.
- Integrated Data Environment (IDE)/Global Transportation Network (GTN) Convergence (IGC) contract award Q3 FY08 – delivers core infrastructure and underpinnings for CSV.

Near-Term Plans:

- Continue transformation of improved governance process. This process is scheduled to be completed by Q1 FY09.
- Deliver Distribution prescriptive architecture Q1 FY09.
- Implement improved governance process to focus, prioritize and fund programs of record to deliver Distribution capabilities through the CSV.

USTRANSCOM Priority #3: Financial Accountability

USTRANSCOM's financial accountability priority is to develop financial IT systems that consolidate and replace legacy systems, are CFO compliant and provide superior data control and accountability. The strategy to achieve this priority is to provide a joint solution via the Defense Enterprise Accounting and Management System (DEAMS) for USTRANSCOM. The US Air Force is also scheduled to use DEAMS (See Chapter 7). This Financial Accountability priority supports the Business Enterprise Priority of Financial Visibility.

Transformational Activities

In addition to data control and accountability, USTRANSCOM is committed to proper stewardship of the taxpayer's dollars. To that end, USTRANSCOM is constantly looking to minimize transportation expenditures through transportation mode selection and various material management initiatives.

Accomplishments/Capabilities Delivered:

- Since FY04, USTRANSCOM as the DPO has avoided or saved \$1.94B in costs enabling investment in improving infrastructure worldwide and additional IT development.

USTRANSCOM Priority #4: Execution Effectiveness

The USTRANSCOM strategy for achieving execution effectiveness is to focus on those activities that achieve synchronized deployment and distribution of forces and materiel from origin to final distribution point; optimized strategic and theater lift through improved collaboration, prioritization, validation and redistribution; improved E2E TAV and ITV supporting COCOM operational objectives. The Execution Effectiveness priority supports the Business Enterprise Priority of Common Supplier Engagement, Material Visibility and Financial Visibility.

Transformational Activities

USTRANSCOM initiated the Theater Enterprise Deployment and Distribution (TED2) effort to identify analytically the needs and develop solutions for the theater to accomplish control functions including operational planning and optimization, movement requirement identification and movement performance assessment.

Accomplishments/Capabilities Delivered:

- TED2 has completed a functional needs analysis of theater level control capabilities highlighting shortfalls and gaps.

Near-Term Plans:

- Conduct functional solution analysis that will scope potential solution areas in order to deliver common theater level control capabilities.



U.S. Transportation Command Programs

Agile Transportation for the 21st Century (AT21) (Supports Priority 1)

Description

The AT21 vision consists of continuous process improvement with supporting information technology that improves forecast accuracy; optimizes transportation planning in Joint Distribution Operations (JDO) and increases on-time delivery of forces and sustainment at least cost given operational needs/constraints. The AT21 initiative will also leverage the results of supply chain and force movement optimization efforts.

DoD requires capabilities to support JDO through the Joint Development and Distribution Enterprise (JDDE). Within that context, the AT21 concept will provide the capability to coordinate and synchronize the movement of forces and sustainment from point of origin to point of need.

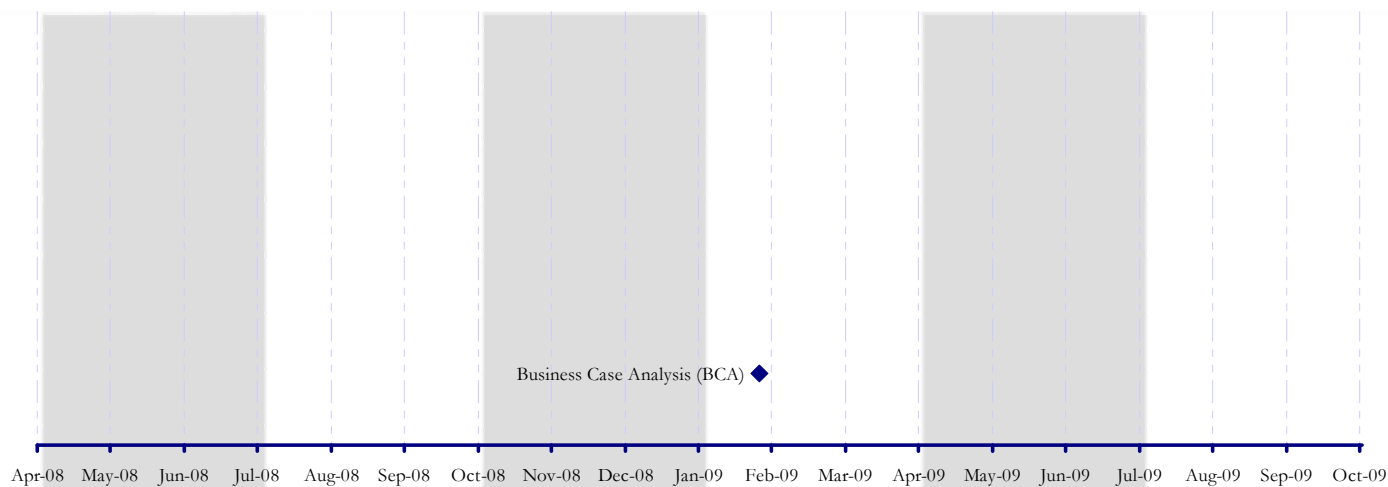
Approach

The revised AT21 acquisition approach will be developed once the Business Case Analysis (BCA) is completed in January 2009. Estimated delivery date for the revised acquisition approach is April 1, 2009.

Benefits

AT21 initiative will: A) Provide the ability to control all movement demands to optimally plan and allocate lift with cost-specific movement options, using control and performance metrics for JDDE performance. B) Provide the means to take appropriate action and achieve the desired distribution outcome. C) Provide a capability to coordinate and synchronize end-to-end distribution operations, through shared awareness and understanding of transportation requirements and plans. D) Enable the JDDE community of interest to have insight into distribution operations that influence modal or nodal decisions. The standard procedures and IT tools used to facilitate the AT21 capabilities must provide an integrated solution emphasizing the use of accurate, timely and decision-relevant information that associates resource constraints, such as limited assets, infrastructure and node processing capacity. E) Embrace continuous process improvement, capable of integrating 3rd Party Logistics activities, supported by net-enabled IT and employing the following collaborative transportation management actions: 1) Process Control; 2) Adaptive Planning; 3) Visibility of requirements, lift capacity, performance and status changes; 4) Requirements Management; 5) Capacity Management; 6) Delivery Optimization; 7) Decision Support; 8) Auditable Records; 9) Performance measurement supporting time definite delivery (TDD) and forecast accuracy. F) Be evaluated against the key performance parameters.

Timeline Diagram

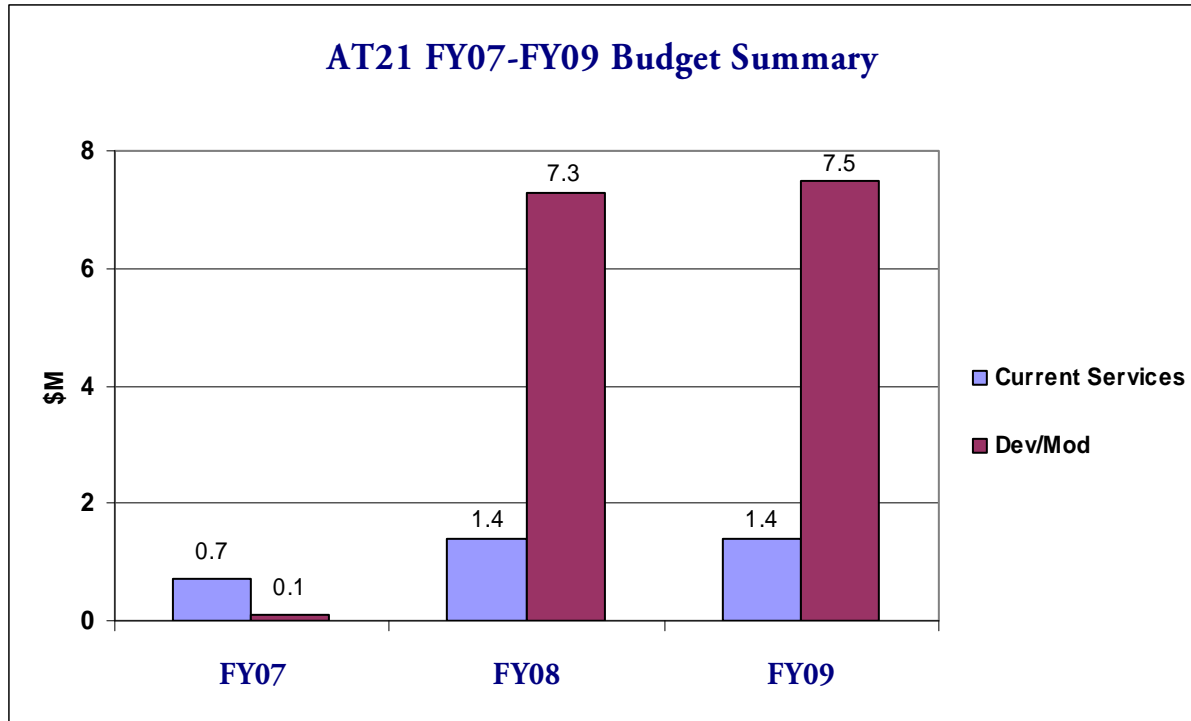


No Legacy Systems Identified



Agile Transportation for the 21st Century (AT21)

AT21 FY07-FY09 Budget Summary and Details



USTRANSCOM anticipates that small units of capability will be delivered in spirals, rather than in larger increments. FY08 development dollars have been reprogrammed to provide AT21 capability that will be delivered in other existing systems.

Accomplishments/Capabilities Delivered:

- AT21 source selection was conducted from April 2007 – February 2008. In March 2008, the Milestone Decision Authority (MDA) determined the command would NOT award the contract so that AT21 could be better integrated within emerging command initiatives for the IDE – GTN Convergence (IGC) and the USTRANSCOM way ahead for the CSV.

Near-Term Plans:

- A BCA is being conducted to identify various alternatives for the program way ahead and quantify costs and benefits associated with each alternative. The final BCA will be delivered January 31, 2009. The BCA will inform future decisions about the AT21 way ahead through analysis in the following areas: governance, integration, solutions, processes and organization. The BCA is being prepared for the USTRANSCOM Chief of Staff, who is the MDA for AT21. The BCA is the first in a series of steps leading to a new Milestone B decision.
- The vision for AT21 focuses on the ability of business processes and information technology solutions to fulfill two key performance parameters (KPPs): on-time delivery and demand forecast accuracy. These KPPs are documented in the AT21 Capabilities Development Document (CDD) and approved Joint Requirements Oversight Council Memorandum (JROCM) dated March 13, 2007.

Common Operational Picture for Distribution and Deployment (COP D2) (Supports Priority 2)**Description**

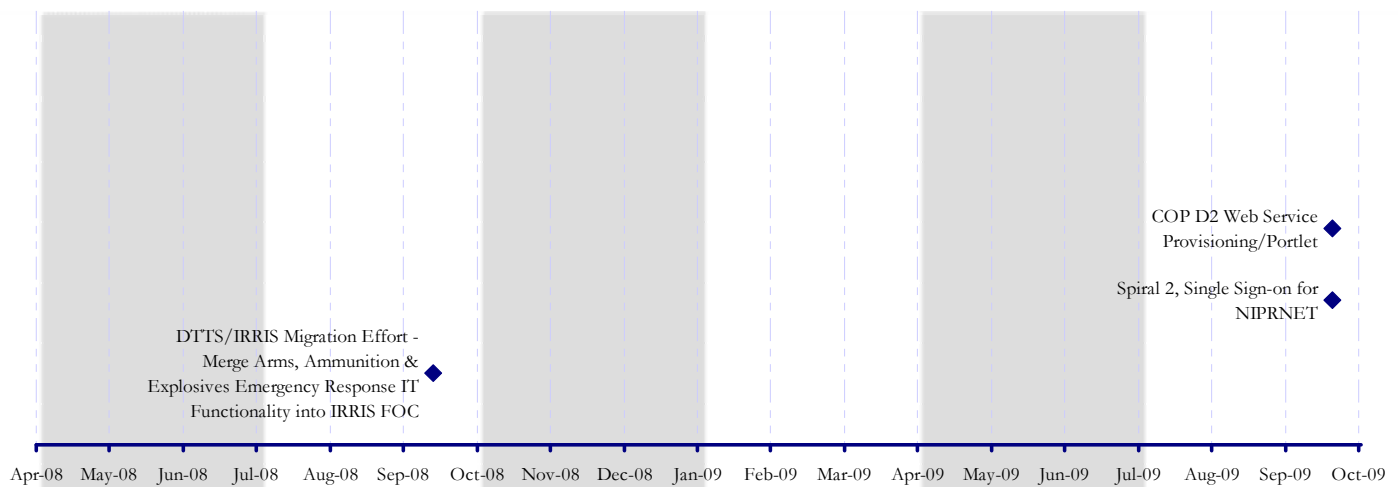
Development of a COP D2 will provide distribution decision makers at strategic, operational and tactical levels with the visibility of information they need in one portal with a single sign-on that is customizable to their needs. COP D2 will provide event management capability, facilitate collaborative planning and assist all echelons to achieve situational awareness.

Approach

COP D2's approach is to provide Deployment and Distribution content to a Common Operational Picture in support of the Distribution Process Owner Corporate Services Vision (DPO CSV) utilizing existing D2 capabilities.

Benefits

The benefits of COP D2 include improved Asset Visibility (AV) and In Transit Visibility (ITV) throughout the distribution pipeline that facilitates near-real-time Command and Control (C2) from requirements generation to the designated sustaining base (point of effect).

Timeline Diagram

Initiatives Do Not Include Legacy Migrations



Common Operational Picture for Distribution and Deployment (COP D2)

COP D2 FY07-FY09 Budget Summary and Details

This program is not discretely funded in the 2009 President's Budget Congressional Budget Exhibit.

COP D2 is funded from the operating budgets of affected activities, there is no separate budget.

Accomplishments/Capabilities Delivered:

- Delivered a Single Sign-On (SSO) Non-secure Internet Protocol Router Network (NIPRNet) capability through GCSS Combatant Commanders/Joint Task Force (CC/JTF) in November 2007. SSO provides capability to access six COP D2 applications: Radio Frequency In-Transit Visibility (RF-ITV), Asset Visibility (AV), Single Mobility System (SMS) Intelligent Road Rail Information Server (IRRIS), GTN and the DLA Discovery Portal using a single Common Access Card (CAC) authentication capability. Delivery provides access to a wide range of application capabilities through a single source.
- Delivered Initial Operating Capability (IOC) and Full Operating Capability (FOC) of the Arms, Ammunition and Explosives (AA&E) tracking capability in October 2007 (IOC) and August 2008 (FOC). Capability provides tracking of critical arms, ammunition and explosives status to enable rapid response to potential emergency situations. Delivery enhances global awareness of assets through a web interface.
- Delivered Single Master Application software for COP D2 users in September 2008. Provides a single point of entry for GCSS-J user information for access to multiple COP D2 Family applications.
- Delivered an SSO for a Secure Internet Protocol Router Network (SIPRNet) capability through GCSS (CC/JTF) in June 2008. SSO provides capability to access five COP D2 applications: RF-ITV, AV, SMS IRRIS and GTN, using a single CAC authentication. Delivery provides access to a wide range of applications through a single source.

Near-Term Plans:

- Deliver IOC in September 2009 of node management web capability in support of post Node Management and Deployable Depot (NoMaDD) advanced concept technology demonstration (ACTD) functionality to provide capability to visualize and analyze in theater asset tracking.
- Deliver phase one of integration with Net-Centric Enterprises Services (NCES) publication and subscription of web services for the COP D2 applications and follow on applications in September 2009. Capability will allow for more rapid exposure of data and E2E visibility to the distribution community.
- Deliver IOC of publication of COP D2 application portlets via the GCSS (CC/JTF) portal in September 2009. Capability will allow for more rapid exposure of data and E2E visibility to the distribution community.
- Deliver single master application process for COP D2 users in May 2009. Reduces requirement for COP D2 users to request account permissions to the six COP D2 applications separately. User requests account permissions once via GCSS-J versus requesting account permissions via each separate application.
- Deliver spiral one of COP D2 SSO integration with GCSS (CC/JTF) Identity Management (IDM) capabilities in September 2009. Capability will provide the ability for Defense Information Systems Agency (DISA) GCSS (CC/JTF) to provide basic user accounts to COP D2 application systems based on user's input to the GCSS-J portal.
- Deliver phase one of Intelligent Agent (IA) tool in September 2009. Capability will provide user ability to anticipate and monitor by exception distribution and transportation issues rather than respond reactively to them. Additionally, the IA capability will provide end-users the ability to customize and create dynamic reports to evaluate and analyze E2E activities.



Customs Process Automation (CPA) (Supports Priority 2)**Description**

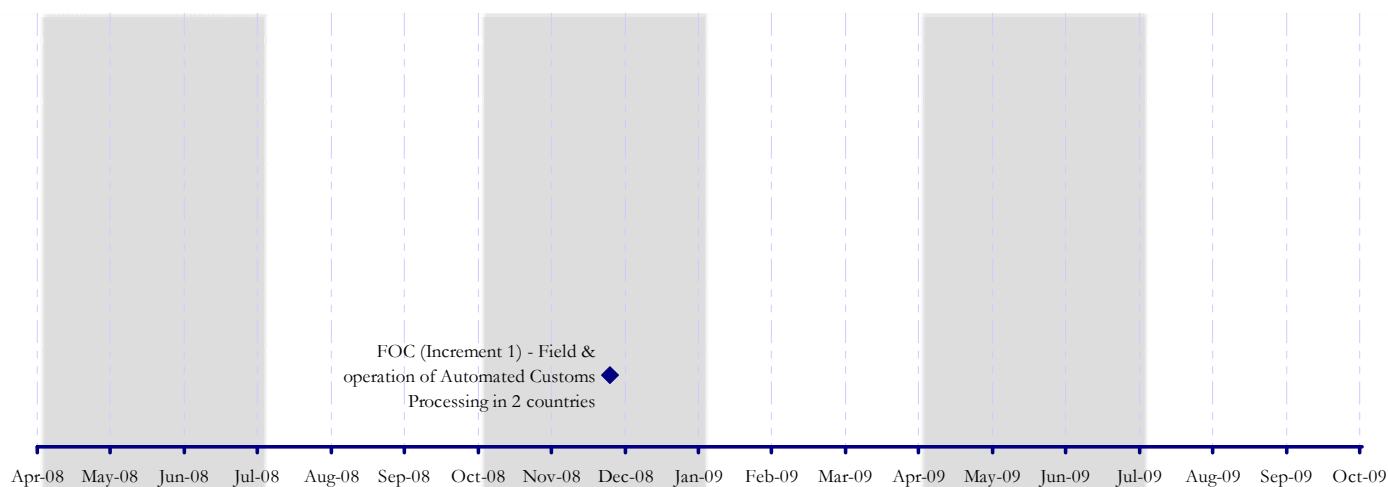
The Customs Process Automation Program will automate the creation and distribution of customs documents and related Defense Transportation shipping documents.

Approach

Incremental approach with four increments: 1) Build basic application. 2) Field for test and operation of each increment. 3) Business Process development for dynamically defined countries in each increment 4) Declare Initial Operating Capability (IOC) and then Full Operating Capability (FOC) for each increment.

Benefits

- Capability to create customs documents electronically.
- Capability to populate customs documents with information from Military Service/Agency or vendor shipper systems at the time shipments are tendered for movement.
- Capability to capture related shipping documents and attach them to their related customs documents.
- Capability to transmit customs packages to Port of Debarkation (POD) activities and destination transportation offices/vendors and host nation Customs Authorities so that the documentation arrives before the shipment.
- Capability to file the customs entry either electronically or to print out the package.
- Capability to report the customs clearance status of customs shipments, the elapsed time required to gain clearance, the reasons for any delay and any associated costs incurred.
- Capability to generate ad hoc reports and graphics based on this information.

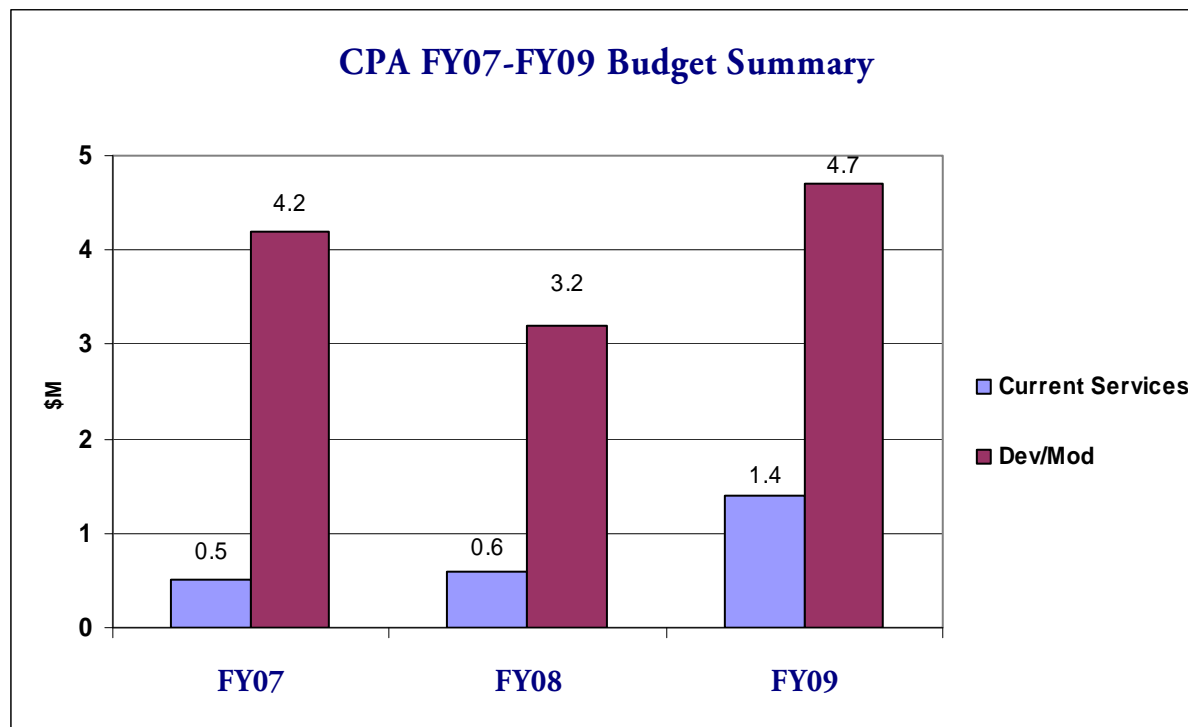
Timeline Diagram

No Legacy Systems Identified



Customs Process Automation (CPA)

CPA FY07-FY09 Budget Summary and Details



Due to delayed country involvement, the CPA program transferred funds from FY08 to FY09 to cover expected software development requirements, which were originally planned for FY08.

Accomplishments/Capabilities Delivered:

- Developed CPA prototype capabilities into a system architecture that allows scalability to 18 countries. Countries are chosen based upon agreeing to a new automated format. Delivered operational hardware providing the capability to expand CPA to accommodate additional countries with ease.
- Transferred CPA prototype capabilities to the Defense Information Systems Agency (DISA) Defense Enterprise Computing Center in 2008, which greatly enhanced the security posture of the system. Developed system architecture, which will allow for future system expansion to handle customs processing of 18 countries from the centralized location. CPA's automated customs capability will provide shipment information to the host country before the shipment arrives, which will decrease processing time as well as warehousing costs for shipments while it waits for customs clearance.
- Developed the architecture providing the foundation for developing custom clearance processes for additional countries in FY09.

Near-Term Plans:

- The plan is to develop fully automated customs capability for two additional countries in Fiscal Year 2009. Additionally, the plan includes developing the customs activities performed by Department of Defense personnel for four additional countries while negotiations continue with these countries on how to implement a fully automated capability for their customs process.
- Additionally, the plan is to analyze and document the customs business process of an additional three countries and negotiate with four other countries for approval of the final automated customs process in preparation for system development in FY10.

Defense Enterprise Accounting and Management System (DEAMS) (Supports Priority 3)**Description**

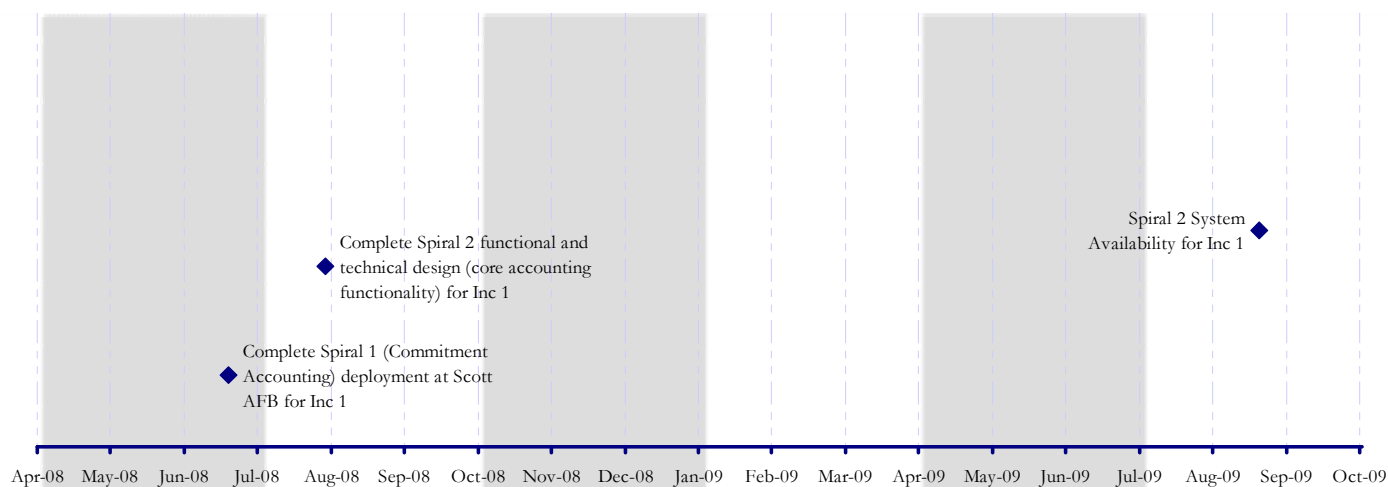
DEAMS replaces legacy systems with financial accounting software (general ledger, accounts payable, accounts receivable, financial reporting, billing, etc.). DEAMS will use a Joint Financial Management Improvement Program (JFMIP)/Financial Systems Integration Office (FSIO) certified Commercial-Off-the-Shelf (COTS) software package as its core system software and will conform to requirements promulgated by the Office of Management and Budget (OMB), Chief Financial Officers (CFO) Act, Government Performance and Results Act (GPRA), Government Management Reform Act (GMRA), Federal Financial Management Improvement Act (FFMIA), the Business Enterprise Architecture and other related laws, regulations and policies.

Approach

DEAMS will be implemented using an incremental approach, deploying several versions over several years. Increment One, Spirals 1 and 2 - DEAMS will be implemented for USTRANSCOM, Air Mobility Command operations and tenant organizations located at Scott Air Force Base (AFB). Increment One, Spiral 3-the remainder of Air Mobility Command, Surface Deployment and Distribution Command and Military Sealift Command. Increment Two-the remainder of the Air Force.

Benefits

DEAMS will deliver timely, accurate and reliable financial information to support effective business decisions by DoD managers in the execution of their duties. When fully implemented, DEAMS will comply with all CFO Act and GMRA requirements, promote development of DoD-wide financial management solutions and processes and improve financial management visibility.

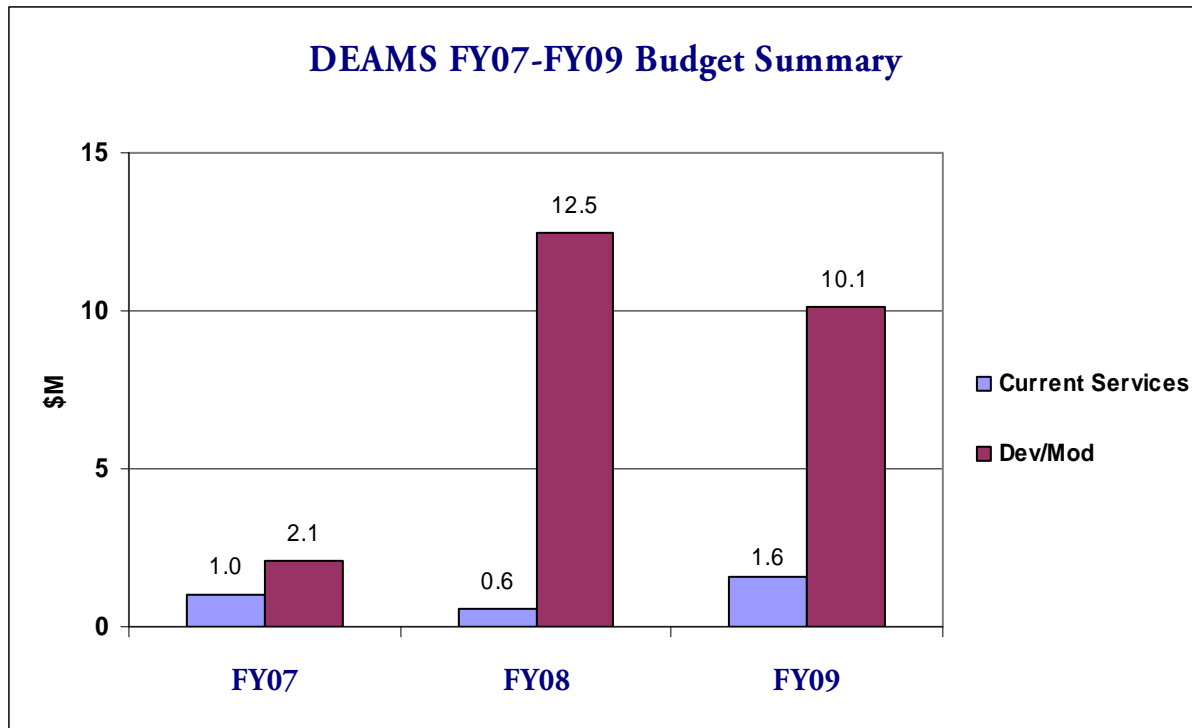
Timeline Diagram

Legacy System	Term Date
ASIFICS	Nov-10
CAB	Nov-10
TFMS-M	Nov-10
BARS	Mar-15
GAFS-R	Mar-15
ABSS	Mar-15
IAPS	TBD



Defense Enterprise Accounting and Management System (DEAMS)

DEAMS FY07-FY09 Budget Summary and Details



Accomplishments/Capabilities Delivered:

- DEAMS Spiral 2 Functional Design completed in May 2008. Functional design baselined the Oracle configuration, reports, interfaces, conversions and extensions design and communicated any changes to the DEAMS architecture since system requirements review.
- DEAMS Spiral 2 Technical Design completed in August 2008. Technical design ensured all documented DEAMS requirements were covered and that system design is sound and compatible with GCSS-AF.

Near-Term Plans:

- Build and test for Spiral 2 to continue into 2009. Spiral 2 will provide standard COTS accounting functionality at Scott Air Force Base (AFB) by August 2009.

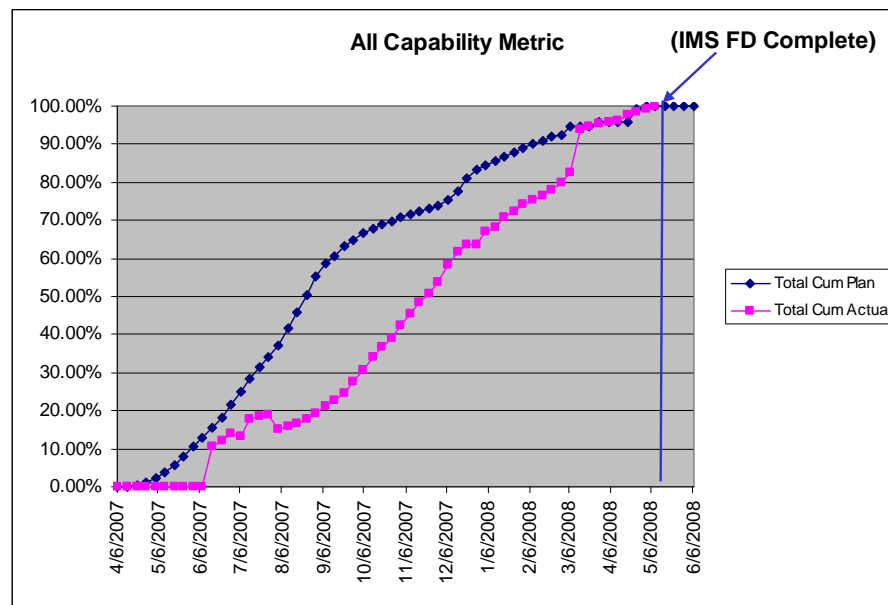
Defense Enterprise Accounting and Management System (DEAMS)

The following metrics are used as management tools to track and evaluate DEAMS progress towards established milestones.

System Metrics

DEAMS Capability Group All Functional Design

Represents status of DEAMS Functional Design of 420 Reports, Interface, Conversion, Extension and Workflow (RICEW) objects. It is used to track the progress of program development in accordance with established program baseline/milestones (Integrated Master Schedule). Graph represents planned vs. actual timelines for functional design development. Chart is derived from DEAMS system integrator weekly status brief.



Note: Chart documents completion thru FDR Submission, not Final Acceptance

Figure 9-2: DEAMS All Capability Metric

Defense Enterprise Accounting and Management System (DEAMS)

DEAMS Capability Group All Technical Designs

Represents status of DEAMS technical design (TD) of 420 RICEW objects. It is used to track the progress of program development in accordance with established program baseline/milestones (Integrated Master Schedule). Graph represents planned vs. actual timelines for TD development. Chart is derived from DEAMS system integrator weekly status brief.

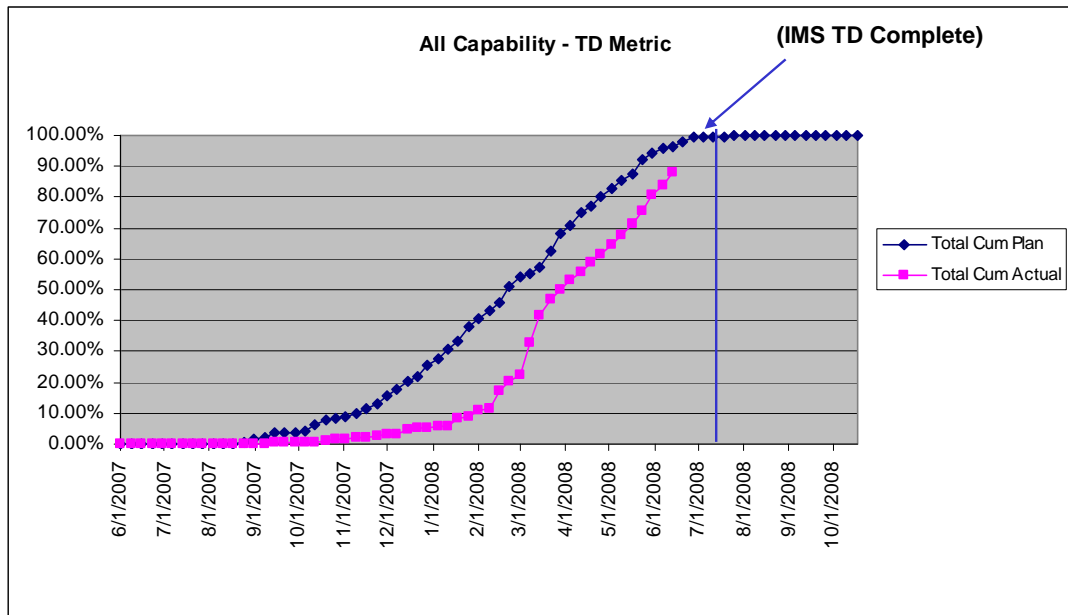


Figure 9-3: DEAMS All Capability Technical Design Metric

Defense Personal Property System (DPS) (Supports Priority 2)**Description**

DPS will provide a single, standardized, worldwide, web-based personal property movement system, supporting over 500,000 shipments annually. DPS employs cutting edge technology to support the “best value” approach to the future DoD Personal Property Program, known as “Families First.”

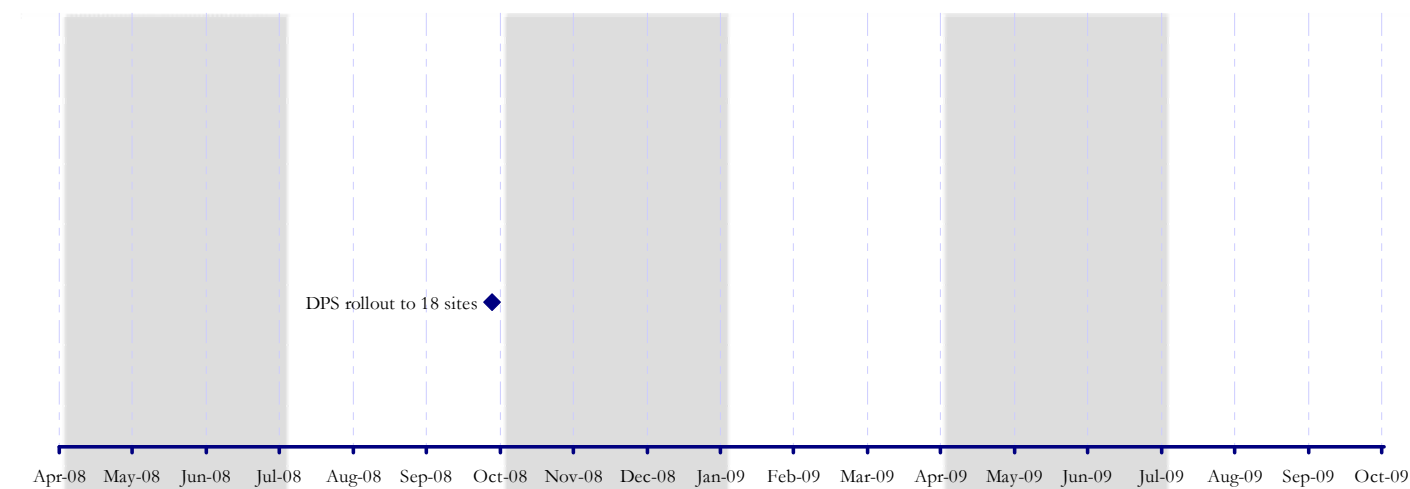
Approach

DPS, as the information technology enabler for the DoD Families First program, is to be implemented in three phases. Phase I implemented Electronic Invoicing via an add-on to the existing legacy application in 2004. Phase II provides the implementation of a new electronic Invoicing capability, Full Replacement Value, Best Value selection of Vendors and a new software implementation of business rules with first movements scheduled for September 2008. Phase III incorporates the remaining household good functionality, known as non-temporary storage and the direct procurement method, with this capability being delivered in Fall 2009.

Benefits

DPS provides for several fundamental improvements to the Household Goods process and to the underlying information technology that supports this. The major benefits include: 1) A more robust electronic invoicing and payment system that supports all Services; 2) Full Replacement Value (FRV) for damages shipments. This addresses Families First issue in which half of the Military population has been dissatisfied with the results of their claims process. DPS supports this in three ways: Offers direct settlement of claims between the Service Member and the Carriers, allows full replacement value vice depreciation and establishes through customer satisfaction surveys the ability to preferentially select future vendors who demonstrate ability to deliver quality service.

DPS as an IT system will replace a 20 year old distributed system utilizing new technology. This provides solutions to technological obsolescence and addresses information security shortcomings of the existing system. The system also integrates the tasks formerly accomplished by 23 different legacy applications and systems. This provides for improved data quality, life cycle support and future integration of data with the Distribution System Joint Data Distribution Environment thus enabling data reuse.

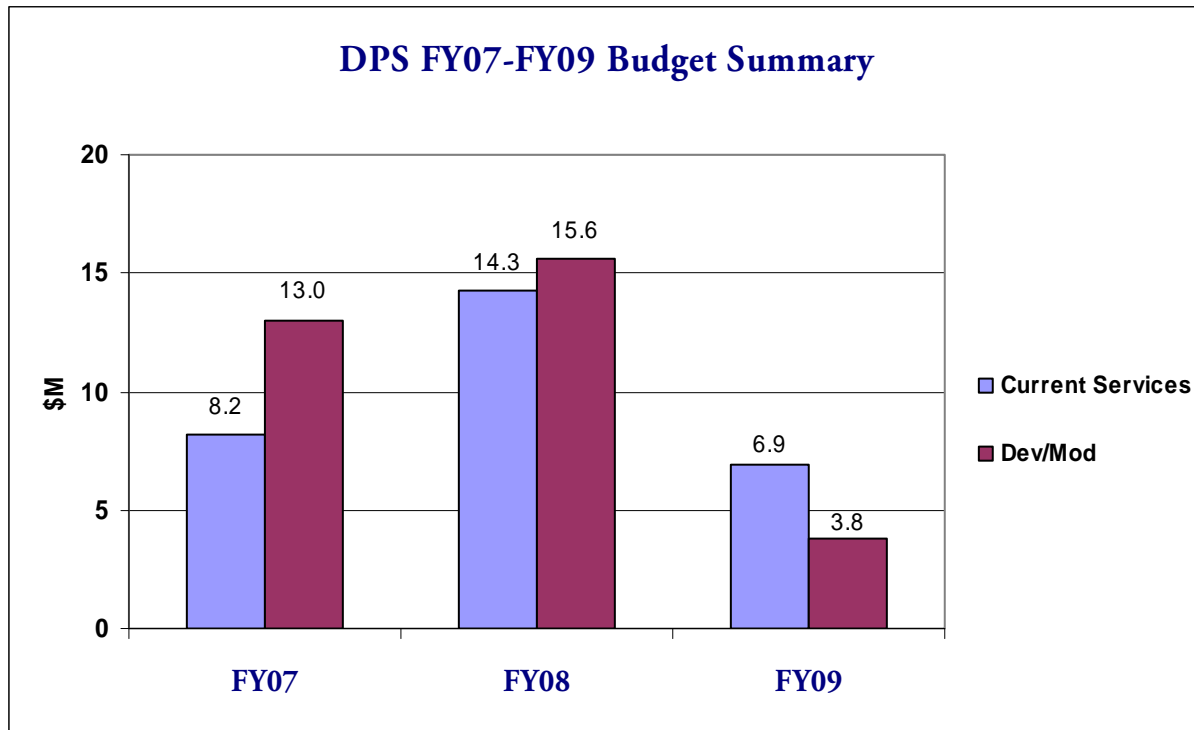
Timeline Diagram**Legacy System Term Date**

TOPS	Mar-09
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Defense Personal Property System (DPS)

DPS FY07-FY09 Budget Summary and Details



Accomplishments/Capabilities Delivered:

- DPS system achieved Initial Operational Capability on November 30, 2007, and went into limited production to support industry rate filing on April 2, 2008. This enabled 937 vendors to electronically submit their rates for household goods shipments valued at \$2.1B per year.

Near-Term Plans:

- DPS continues system updates, testing and training to support a September 2008 deployment to 18 sites that represent approximately 35,000 movements per year (10%). Rollout was limited to these 18 sites in FY08 in accordance with a GAO resolution agreement with industry.
- DPS worldwide rollout is scheduled to begin January 2009 with a new rate filing. At this time, all 102 sites worldwide supporting approximately 350,000 household goods movements valued at \$2.1B annually.

System Metrics

Industry (Vendor) Participation

- DPS system metrics relate to the business process. The goal is to use existing program metrics, provide those metrics and then use them to drive the narrative storyline.
- Industry Vendors are a performance metric that represents the ability to acquire sufficient capacity within the distribution channels and secondarily to provide sufficient competition within the channels to support best value selection of vendors.
- Services Personal Property Shipment Offices readiness.
- The military services Personal Property Shipment Offices (PPSO) are required to complete technical data for system readiness and otherwise be ready to conduct the movement operations in support of the transportation offices worldwide. They are the interface between the Service members and industry to assure household good movements occur in accordance with regulations and requirements.

Defense Personal Property System (DPS)

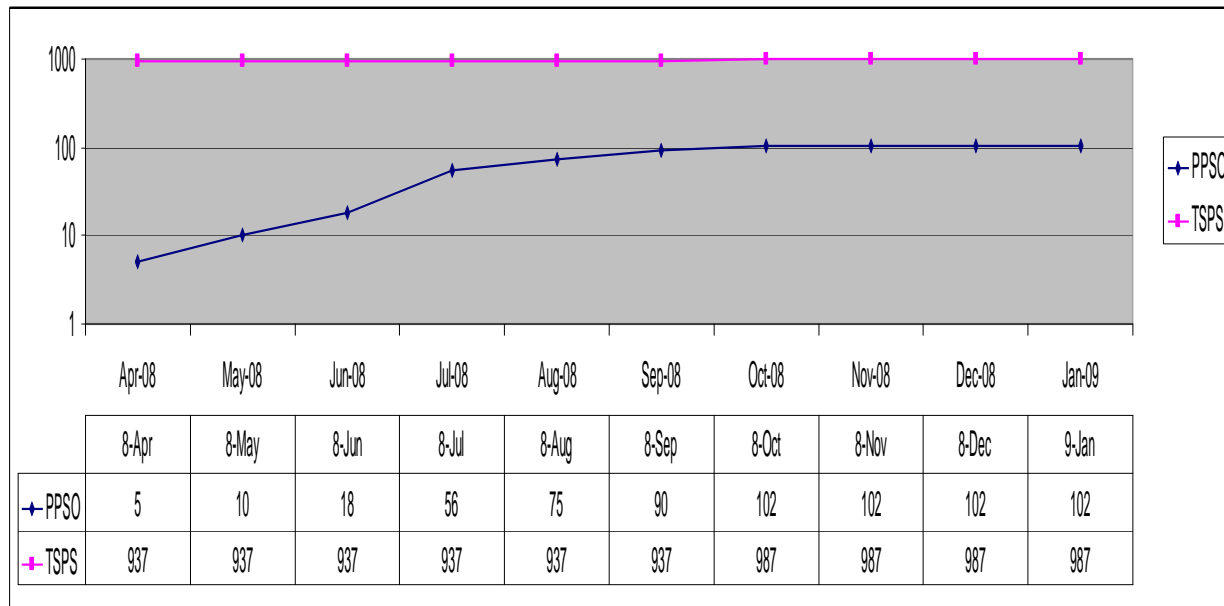


Figure 9-4: Industry (Vendor) Participation



Defense Transportation Coordination Initiative (DTCI) (Supports Priority 4)**Description**

DTCI is a Distribution Process Owner (DPO) initiative contributing to the efforts to integrate Department of Defense (DoD) logistics to become more responsive to warfighter readiness while achieving greater efficiencies.

Objectives of DTCI are to: 1) Establish Continental United States (CONUS) enterprise (carriers, coordinator, DoD), 2) Improve In Transit Visibility (ITV), 3) Allocate resources to demand, 4) Standardize performance, reliability and predictability, 5) Continuous process improvements, 6) Coordinate, optimize, consolidate enterprise operations, 7) Leverage enterprise to reduce total cost, 8) Balance load types and modes, 9) Employ best commercial practices.

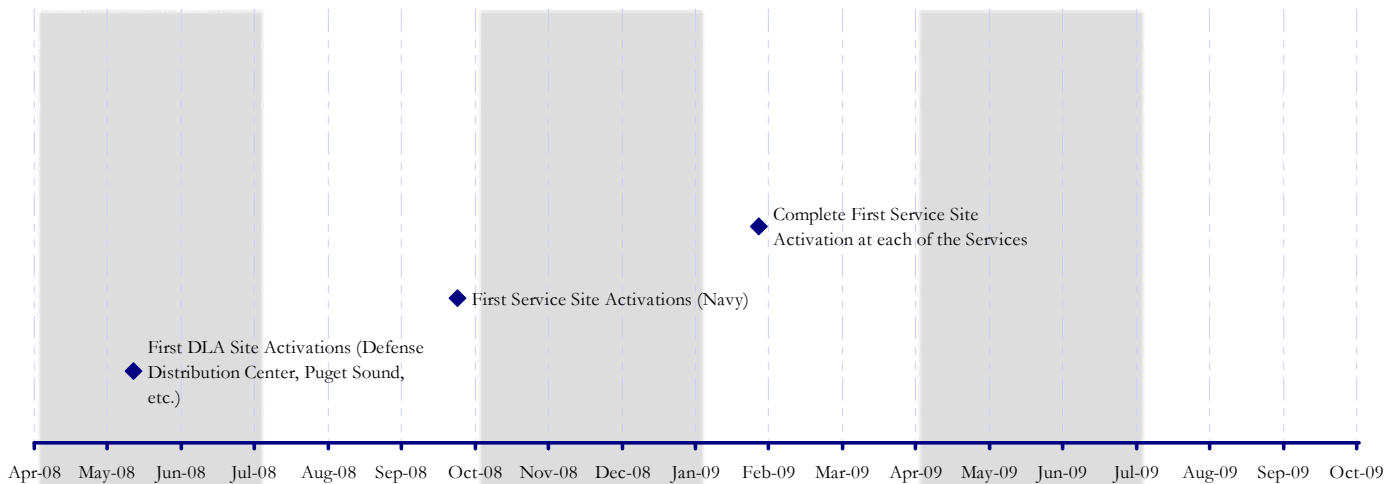
Approach

The DTCI acquisition approach combines performance-based service requirements with both fixed-price and cost-reimbursement contract line items in order to meet operational needs while achieving cost savings goals. In addition, the contract includes award fee and award term option provisions, which motivate the DTCI Coordinator to exceed minimum operational performance and cost savings thresholds. This contract structure promotes a successful partnership with a world-class transportation services provider (Third Party Logistics-(3PL)) that leverages their existing commercial business best practices with DoD freight in order to achieve efficiencies in DoD distribution and associated cost savings.

Benefits

DTCI will consolidate the management and movement of approximately one third of DoD's CONUS freight requirement under a single coordinator of transportation services.

Benefits include: 1) Improved operational effectiveness, 2) Support strong small business participation, 3) Improved customer confidence, 4) Reduced cycle times (defined as time from request for movement to delivery), 5) Save transportation funds; projected savings in excess of 15% (of approximate \$250M transportation spend) and 6) Program operated at net loss during FY08, with net savings beginning to accrue in FY09.

Timeline Diagram

Initiatives Do Not Include Legacy Migrations



Defense Transportation Coordination Initiative (DTCI)

DTCI FY07-FY09 Budget Summary and Details

This program is not discretely funded in the 2009 President's Budget Congressional Budget Exhibit. The DTCI program is funded in the 2009 President's Budget in the Transportation Working Capital Fund (TWCF) DPO Initiatives Account FY09-FY13. DTCI is one of several programs that make up the DPO Initiatives Account. The DPO initiatives account is not included in the TWCF rates. The Military Services are billed directly on a quarterly basis. The Military Service's bill is based on a pro-rated share of the total obligation for that quarter of the total DPO Initiatives Account.

Accomplishments/Capabilities Delivered:

- Initial site visits and all training have been completed for the first ten sites. Implementation of these ten DTCI sites was completed by October 2008. The initial scope of DTCI includes 67 sites to be phased in over a 25-month schedule. Additional Service sites may be added at no more than 50 per year, with a total contract maximum of 260 sites. Expected benefits include cost savings in excess of 15% annually (on an approximate freight spend of \$250M) once all 67 sites are implemented. Additional benefits include on-time pick-up and delivery of 96-97% at all DTCI shipping locations, 99% of claims processed within 90 days and 98% loss and damage free shipments.
- Defense Distribution Center Puget Sound Washington (DDPW) implemented March 31, 2008; San Diego, California (DDDC) on April 21, 2008; and Corpus Christi, Texas (DDCT) on May 12, 2008.
 - Relatively low volumes, but many expedited and high priority shipments for Navy.
 - DDC staffs supportive; few challenges, but system is performing well.
- Defense Distribution Center Red River, Texas (DDRT) implemented June 9, 2008.
 - Higher volume almost doubled shipment numbers.

Near-Term Plans:

- Remaining program is on track (67 total sites in 25 months with options for up to 260 sites)
 - First Navy site (of 25) is Naval Air Station (NAS) Corpus Christi, Texas in September 2008.
 - First Army site (of 13) is Fort Lewis, Washington in October 2008.
 - First US Marine Corps (USMC) site (of 1) is Marine Corps Air Station (MCAS) Miramar, California in November 2008.
 - First Air Force site (of 10) is Travis Air Force Base (AFB), California in January 2009.
- Expected outcomes: Consistent quality performance
 - 96-97% On-time pickup.
 - 96-97% On-time delivery.
 - 98% Shipments loss and damage free.
 - 99% of claims processed within 90 days.
 - 99% DTCI system "uptime."
- Enhance in-transit visibility to include: consistent delivery confirmations, delayed-in-route messages and access to winning coordinator's commercial tracking system.
- Make shipment process easier; one call for transportation officers with guaranteed pick-up.



Fusion Center (FC) (Supports Priority 4)**Description**

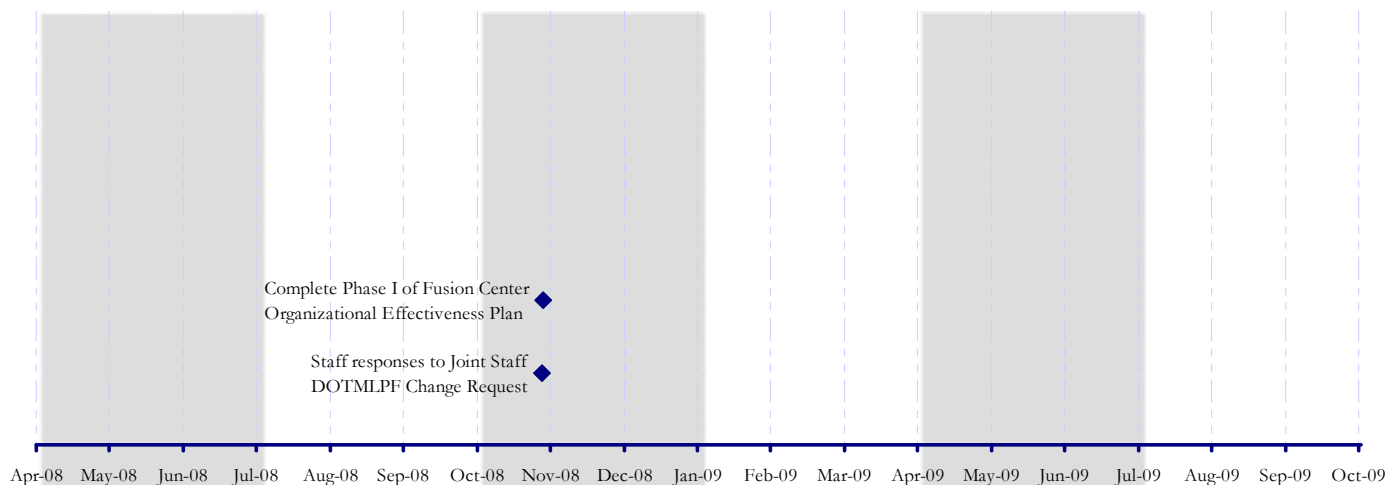
FC optimally balances distribution effectiveness and efficiency for the Joint Development and Distribution Enterprise (JDDE), collocating USTRANSCOM Deployment and Distribution Operations Center (DDOC) and Surface Deployment and Distribution Command (SDDC) Operations Center, Military Sealift Command (MSC) Marine Transportation Specialists and 618th Tanker Airlift Control Center (TACC) Planners. Collocation will improve operations and reduce manpower requirements by synchronizing the distribution of forces and sustainment through collaborative planning, proactive transportation analysis and performance monitoring.

Approach

- Spiral One: Interview Subject Matter Experts (SMEs) and build level five process maps.
- Spiral Two: Align FC processes to the Joint Deployment and Distribution Architecture (JDDA).
- Spiral Three: Validate current processes and lead discussions with USTRANSCOM and JDDE partners on possible process changes, manpower cuts and IT requirement gaps.

Benefits

- Capability to identify low value, duplicate or unnecessary internal FC processes based on current and prospective organizational structures.
- Capability to identify unnecessary or duplicate processes among USTRANSCOM, SDDC, MSC and TACC Operations Centers.
- Capability to recommend adjustments to organization structure or standard operating procedures.
- Capability to identify IT enhancements and gaps not already captured.

Timeline Diagram

Initiatives Do Not Include Legacy Migrations



Fusion Center (FC)**Accomplishments/Capabilities Delivered:**

- Completed “as is” Process Maps, leading to the ongoing integration of 44 Transportation Component Command personnel into FC. Twenty eight personnel—Operators, Transportation Specialists and Planners—are presently on board, providing unity of effort in synchronizing and integrating capabilities. (January 2006-September 2007)
- Stood up the Air Refueling Management Branch to globally manage air refueling requirements, fulfilling USTRANSCOM responsibilities in managing a high demand and low capacity mission under the Unified Command Plan (UCP). (November 2007)
- The Fusion Center completed staffing responses to the Joint Staff on the Doctrine, Organization, Training, Materiel, Leadership and education, Personnel and Facilities (DOTMLPF) Change Request. The responses addressed terms, tactics, techniques and procedures inputs appropriate to the review of joint publications for potential changes to reflect Focus Warfighter initiatives. Input for the appropriate terms, tactics, techniques and procedures will be incorporated in the Joint Operation Planning and Execution System (JOPES) Volume III rewrite. (Completed ahead of schedule on September 23, 2008.)

Near-Term Plans:

- Continue process improvement efforts, leveraging FC strategic partnerships to effectively and efficiently operate the JDDE with Regional Combatant Commanders, Military Services, Defense Logistics Agency, etc. (Presently scheduled through September 2012)
- Codify reengineered processes in JOPES Volume III to accurately reflect process changes and improvements. (October 2009)
- Continue Distribution Operations and Plans Integrated Process Team efforts to develop strategy to achieve the AT21 vision – reengineered business processes with supporting information technology that improve transportation planning; improve forecast accuracy; and increase on time delivery of forces to the JDDE at a lower cost to the Services. (On-going)
- Build upon strategic partnership with Air Force Research Laboratory (AFRL), a government-to-government partner, by enhancing organizational effectiveness through organizational modeling, assessment, process improvement and strategic change management. (Presently scheduled through September 2011)
- Build movement plan to ensure continuity of operations while moving FC personnel scheduled for completion in July 2010. (December 2009)



Integrated Data Environment/Global Transportation Network Convergence (IGC) (Supports Priority 2)**Description**

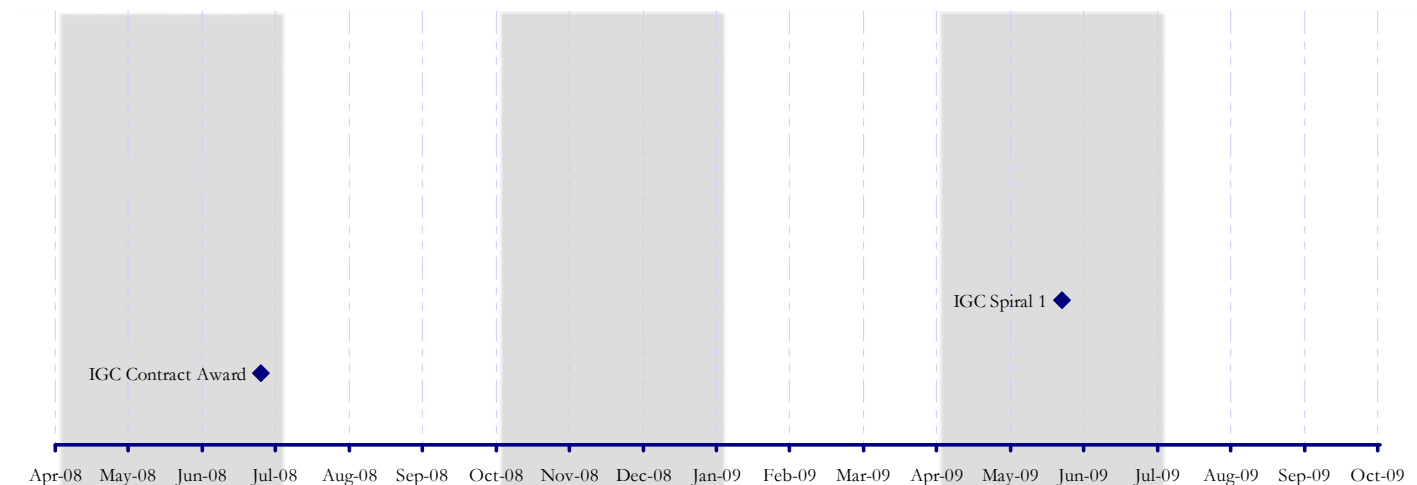
IGC will establish common integrated data services to enable development of applications which will provide the Combatant Commands (COCOMs), Services, the DoD and other federal agencies a cohesive solution for the management of supply, distribution and logistics information with a global perspective. This will create a single location between the Defense Logistics Agency (DLA) and USTRANSCOM for consistent access to common, authoritative data, business standards and information.

Approach

A new program office has been established to unify logistics/distribution/transportation visibility efforts between DLA's Integrated Data Environment (IDE) initiative and USTRANSCOM's Global Transportation Network program (GTN), with the goal of eliminating redundancy, streamlining access to data and optimizing resources. IGC development will begin in FY09 and will proceed in three spiral efforts. Spiral 1 continues the work accomplished by IDE and GTN/Pre-Planned Product Improvements (P3I) developers and completes the GTN low-side data feed migrations into the IGC environment to prepare for legacy GTN sunset. The data acquired as part of Spiral 1 will be loaded into the Raw Data Layer of the Enterprise Data Warehouse (EDW). In addition, the existing low side pre-production environment will transition to the SIPRNET to support IGC Spiral 2 requirements. Spiral 2 begins the work of loading required data into the IGC high-side environment. Specified low-side EDW data will be replicated to the high-side environment and augmented with an additional four high-side only source feeds. In addition, the high side (SIPRNET) back up site will be planned and established in Spiral 2. Spiral 3 will complete the transition of GTN capabilities to the IGC environment, retire the legacy GTN data store and provide backwards compatibility to appropriate systems resources.

Benefits

A USTRANSCOM/DLA program to enable supply chain, logistics, transportation and distribution-related visibility and consistent access to common authoritative data. Convergence creates a modern, net-centric, data sharing capability that provides a single point of access to data for decision support across both commands. Benefits include: 1) Single sign-on to the Global Combat Support System-Joint (GCSS-J) portal – improves warfighting user experience; 2) Publish/Subscribe access to data – promotes reliable and uniform decision making; 3) Enterprise Data Warehouse – one place for supply chain, distribution and logistics data; 4) Enterprise data brokering – provides Joint Deployment and Distribution Enterprise (JDDE) data and status suitable for COCOMs.

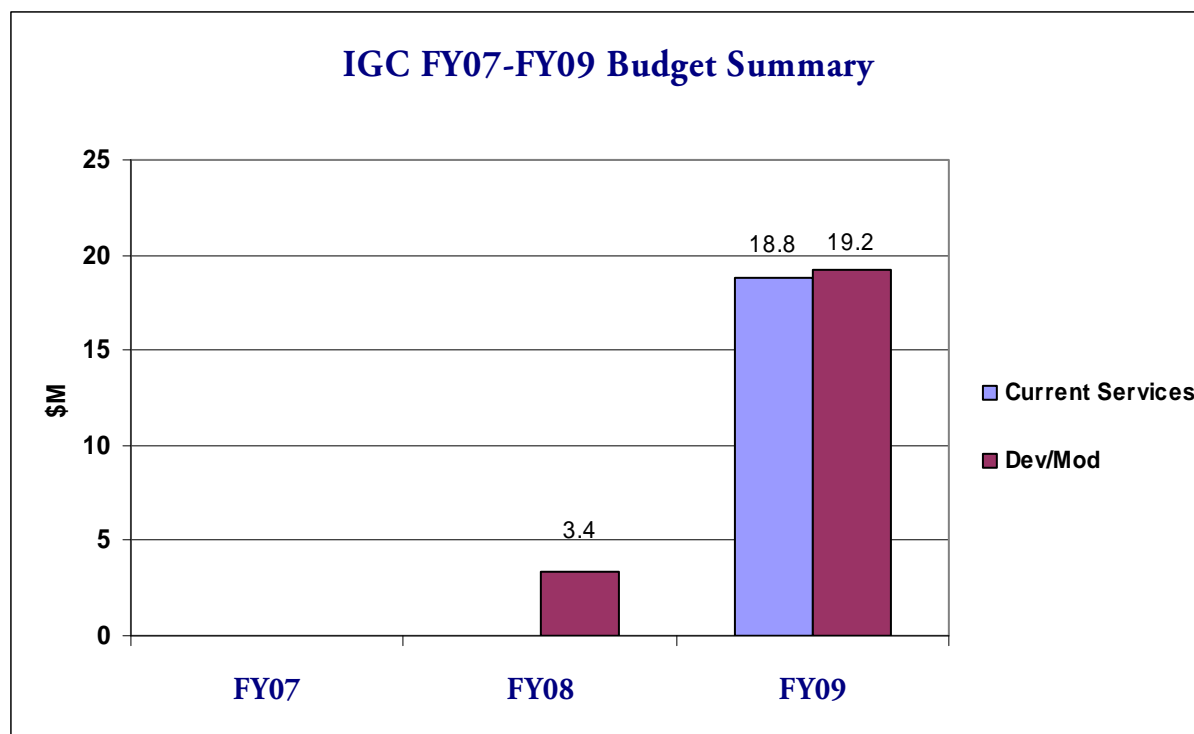
Timeline Diagram**Legacy System Term Date**

GTN	Sep-10
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Integrated Data Environment/Global Transportation Network Convergence (IGC)

IDE/GTN IGC FY07-FY09 Budget Summary and Details



FY08 funding includes requirements for knowledge transfer only. Since the new contract will be awarded at the end of Q3 FY08, IGC development will begin in earnest in FY09. It will continue through FY10 with GTN integration and front-end development and capital requirements for High-Side Continuity of Operations Plan (COOP), both hardware and software.

Accomplishments/Capabilities Delivered:

- In April 2008, the World Wide Express (WWX) and International Heavyweight Express (IHX) application was deployed as Phase II of the GTN Pre-planned Product Improvement (P3I). This application provides the Air Mobility Command (AMC), USTRANSCOM's air component, the ability to measure WWX/IHX Air Carrier Shipment Status compliance. The WWX/IHX capability is significant to IGC because it helps create the conditions that will eventually allow the IGC program to sunset legacy GTN components and enable many programs to utilize these new technical capabilities in a way that improves system integration and interoperability; leading to improved visibility, decision making, timeliness and process change across the JDDE.
- The WWX/IHX solution provides the USTRANSCOM air component, AMC a tool to determine if express package carriers (less than 150 lbs and Heavyweight carriers, 150 – 300lbs) are performing contractual reporting obligations (timeliness and accuracy). This new capability provides the Department with metrics to monitor carrier performance. These metrics were previously provided by the carriers and could not be validated. WWX/IHX permits performance verification on an as needed basis rather than relying on monthly statistics. Additional WWX/IHX capabilities include:



Integrated Data Environment/Global Transportation Network Convergence (IGC)

- Provide managers a quick and easy way to make best value comparisons to facilitate selection of carriers who compete for business under a Commercial Off-the-Shelf (COTS) Competitive-Based contract. Replaces manual review of carrier performance and decisions based on subjective judgments;
 - WWX/IHX solution supports Major Commands and Field Transportation Offices evaluation of overall carrier performance; and
 - Simplifies carrier information for users who do not have a detailed understanding of carrier contract specifications or carrier responsibilities. Eliminates need for users to have in-depth contract knowledge to interpret carrier reports and reporting codes.
- Following 18 months of preparation supported by USTRANSCOM and DLA, the IGC contract was awarded in June 2008 for system development and sustainment services. This is a five year fixed price/performance incentive contract that covers both development and sustainment for what was heretofore developed under separate GTN P3I and IDE contracts.

Near-Term Plans:

- The Business Decision Support System (BDSS) migration is the third and final release under the existing GTN P3I and IDE contracts scheduled for delivery in Q4 FY08. BDSS provides access to historical distribution and financial data to answer an unlimited amount of distribution business questions related to supply chain performance. BDSS data warehouse functionality covers several subject areas; Air and Ocean cargo, Air Passenger Requisition and Radio Frequency Identification (RFID). This release will replace 4th generation hardware that is no longer supportable, injects investment into one infrastructure to bring together a single architecture and provide “built-in” checks and balances of data quality.
- Deliver core Corporate Services Vision (CSV) infrastructure components through IGC FY09.



Joint Distribution Process Analysis Center (JDPAC) (Supports Priority 4)**Description**

JDPAC will establish across USTRANSCOM, Surface Deployment and Distribution Command (SDDC)-Transportation Engineering Agency (TEA) and Army Material Command (AMC), an integrated Distribution Process Owner (DPO) analytic capability to focus on joint operations.

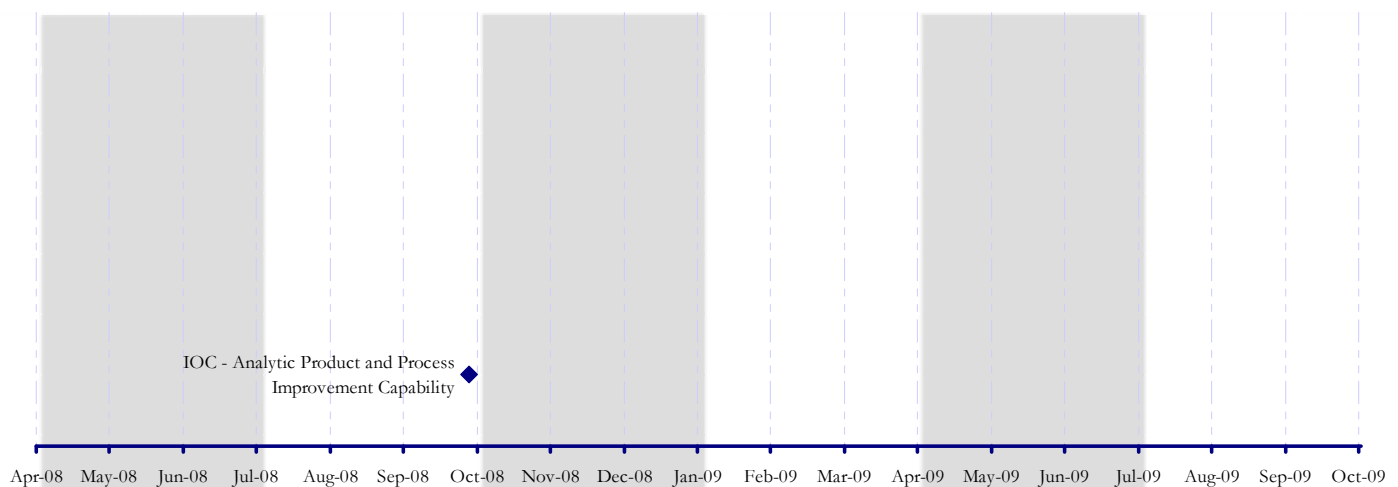
Approach

The establishment of the JDPAC has three key milestones.

- The first milestone was reached when a basic virtual capability was established.
- The second milestone is initial operating capability, achieved when manned at 70% in critical billet areas (September 2008).
- The final milestone, full operating capability, will be reached when manned at 90% in critical billet areas (October 2010).

Benefits

JDPAC will provide analytically-driven courses of action to support current operations and inform programmatic and transformation, while leveraging analytic expertise from our Joint Deployment and Distribution Enterprise (JDDE) partners.

Timeline Diagram

Initiatives Do Not Include Legacy Migrations



Joint Distribution Process Analysis Center (JDPAC)

JDPAC FY07-FY09 Budget Summary and Details

This program is not discretely funded in the 2009 President's Budget (PB09) Congressional Budget Exhibit.

Accomplishments/Capabilities Delivered:

- Embarked on a JDPAC partnership with Central Command (CENTCOM) to provide analytic support forward to the CENTCOM Deployment Distribution Operations Center (CDDOC). Deployed an analyst to the CDDOC for 179 days. Analyst was instrumental in improving visibility and efficiency of theater distribution system; also allowed two-way link between CDDOC and JDPAC to benefit other projects. CDDOC/JDPAC valued the deployment enough to continue the partnership. Another analyst was deployed in May with a replacement scheduled for October/November time period.
- JDPAC completed various program analyses such as the Joint Future Theater Airlift Capabilities Assessment, Joint Shipment Manager (JSM), Southern Command (SOUTHCOM) Channel Airlift Commercialization Analysis and Sealift Readiness Analysis.

Near-Term Plans:

- Use existing DoD analytical agenda scenarios, actual histories and war plans to evaluate the impact of changes that have occurred since the publication of the Mobility Capability Study 2005; complete Mobility Capabilities and Requirements Study 2016 (MCRS-16) initiated May 2008; completion May 2009.
- Continue ongoing partnership with the Defense Logistics Agency's (DLA's) Operations Research and Resource Analysis Office (DORRA) to integrate future JSM efforts into their JRIMM analysis process. Based on Joint Regional Inventory Material Management (JRIMM) prioritization, follow-on JSM efforts may be planned to be executed in collaboration with DORRA. DORRA and JDPAC expanding partnership to better support National Military Strategy (NMS) requirements with timely and accurate sustainment-related distribution.



Joint Task Force-Port Opening (JTF-PO) (Supports Priority 4)**Description**

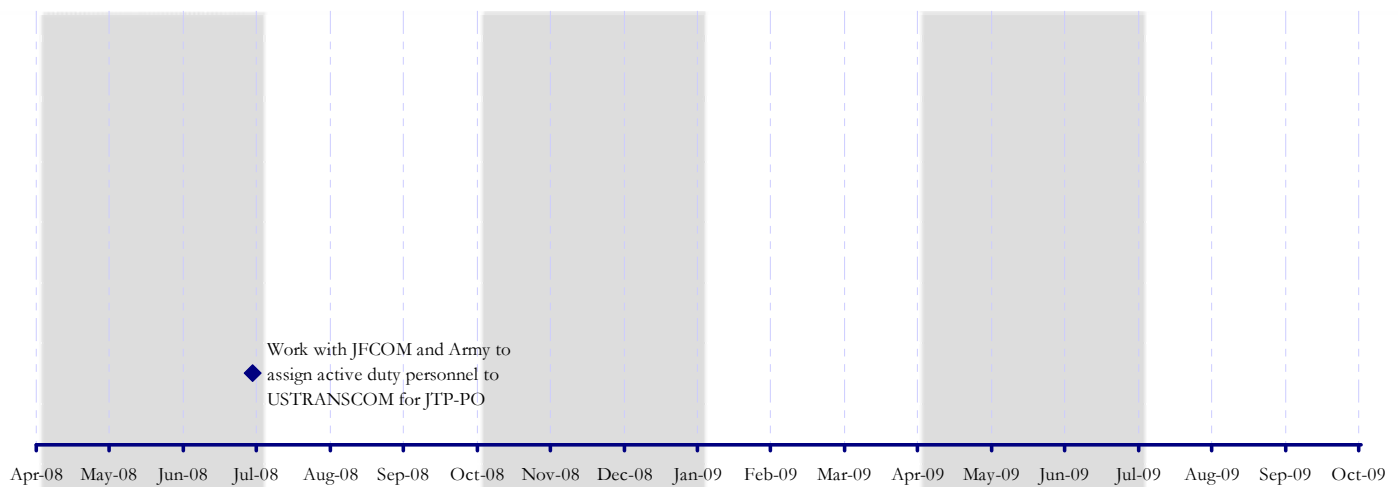
The JTF-PO will rapidly establish and initially operate aerial ports of debarkation (APOD) and seaports of debarkation (SPOD), establish a distribution node and facilitate port throughput within a theater of operations. The JTF-PO is world-wide deployable and designed to operate across the range of military operations.

Approach

Combine specific Army and Air Force capabilities to provide the Commander USTRANSCOM with a ready-to-deploy, jointly trained force for opening APODs and establishing the initial distribution node. A combination of Army and Navy forces will provide the forces and expertise necessary to open a SPOD as well as establish and manage the initial distribution node.

Benefits

JTF-PO will provide a joint expeditionary capability to rapidly establish and initially operate an APOD or SPOD and distribution node, facilitating port throughput in support of Combatant Command (COCOM) executed contingencies. Consistent and deliberate joint training, a robust command and control suit to include In-transit Visibility (ITV) and dedicated surface movement control units enable JTF-PO to effectively and efficiently address previous deficiencies of global transportation movement. JTF-PO provides oversight of joint force deployment and sustainment while supporting USTRANSCOM's mission of providing end-to-end synchronized cargo and passenger movement.

Timeline Diagram

Initiatives Do Not Include Legacy Migrations



Joint Task Force-Port Opening (JTF-PO)**JTF-PO FY07-FY09 Budget Summary and Details**

This program is not discretely funded in the 2009 President's Budget (PB09) Congressional Budget Exhibit.

Accomplishments/Capabilities Delivered:

- Activated the first of three permanent Army Transportation Detachments - Rapid Port Opening (TD-RPOs) in March 2008 to fulfill the Surface Element role in JTF-PO APOD. The Relief in Place/Transfer of Authority from the current Reserve unit (temporarily assigned) to the first TD-RPO occurred in July 2008. The second TD-RPO, which will allow for a second APOD capability will be sourced in October 2008. The final TD-RPO will be sourced in October 2009. This transition from Reserve to Active duty forces and the beginning of a permanent force sourcing solution will further enhance the habitually trained nature of the JTF-PO.

Near-Term Plans:

- JTF-PO APOD will participate in numerous exercises in the next 12 months. Fielding one SPOD unit with a target of February 2009 for Full Operating Capability (FOC).
- Fielding one SPOD unit with a target of February 2009 for FOC. Demonstrations of JTF-PO SPOD occurred at National Level Exercise 2-08 as well as Joint Logistics Over the Shore (JLOTS) 08. JTF-PO SPOD will participate in two field training exercises (FTXs) and one certification exercise in which the capability will be declared ready for operational deployment. JTF-PO SPOD allows USTRANSCOM to provide a world-wide, rapidly deployable, early arriving, jointly trained force to open, operate and manage a seaport of debarkation and forward node. The early arrival, habitual joint training and robust C2 capabilities in support of the Combatant Commander's contingency operation and/or humanitarian assistance operations are designed to reverse the shortcomings that have been associated with historical port opening missions.



Joint Task Force-Port Opening (JTF-PO)

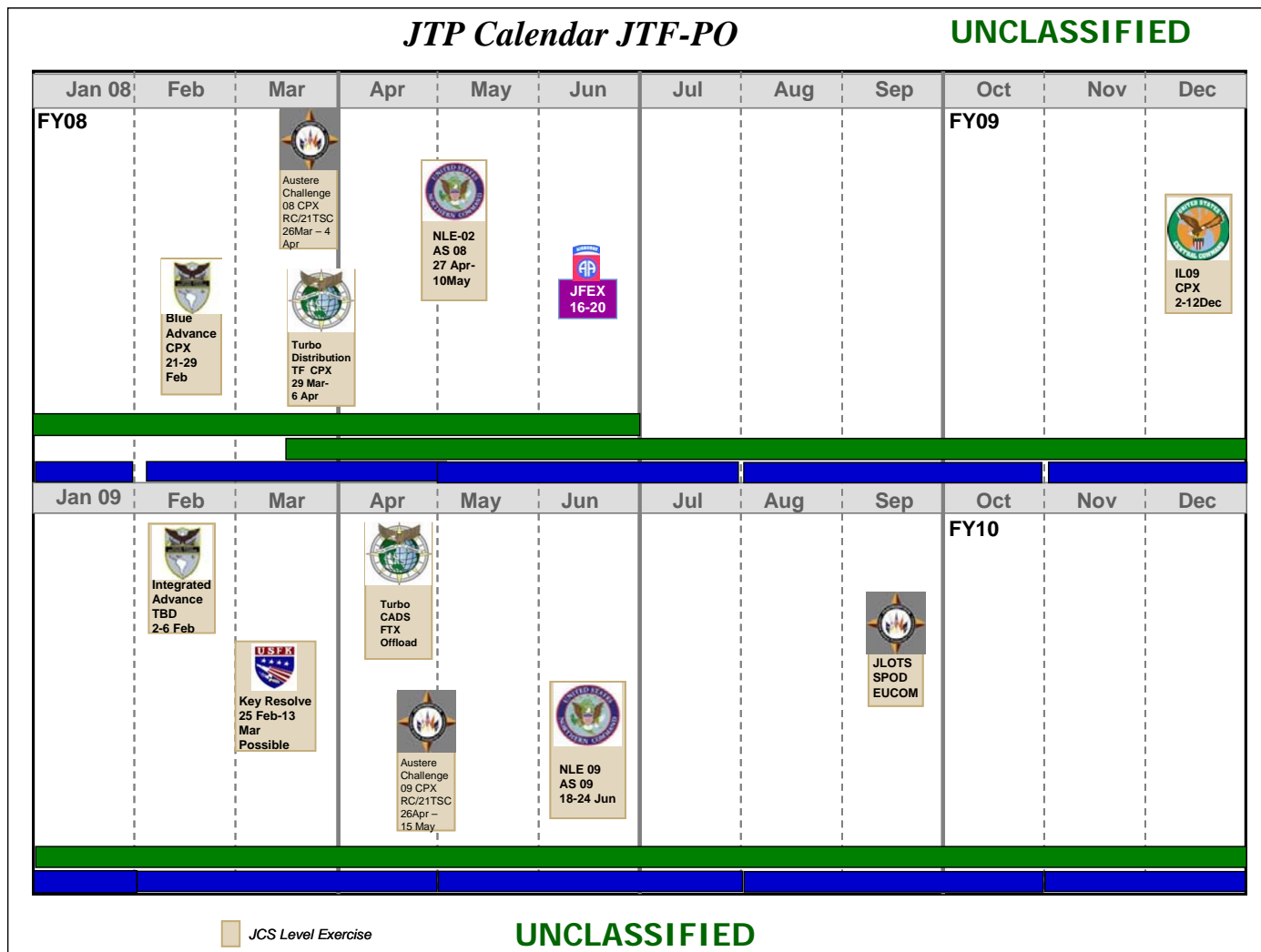


Figure 9-5: USTRANSCOM Exercise Participation

- JTF-PO SPOD will train forces necessary for world-wide deployment. Following certification, full participation by SPOD forces is expected in several exercises including US Northern Command (USNORTHCOM) ARDENT SENTRY 09, US Pacific Command (USPACOM) TURBO CADS 09 and US European Command's (USEUCOM) JLOTS 09.
- Participation by JTF-PO APOD and SPOD in these exercises will afford opportunities for Combatant Commanders to experience the benefits provided by JTF-PO. These exercises will also allow JTF-PO forces to gain real world experience in preparation for Combatant Commander executed contingency operations and/or humanitarian assistance operations.



Port Management Automation (PMA) (Supports Priority 4)**Description**

Port Management Automation (PMA): integrates water port management and manifesting functionality resident in the Worldwide Port System (WPS) into the existing Global Air Transportation Execution System (GATES) to achieve a joint port operations and manifesting system. Integration of WPS capabilities into the GATES environment will greatly enhance client ease of use and visibility for the warfighter.

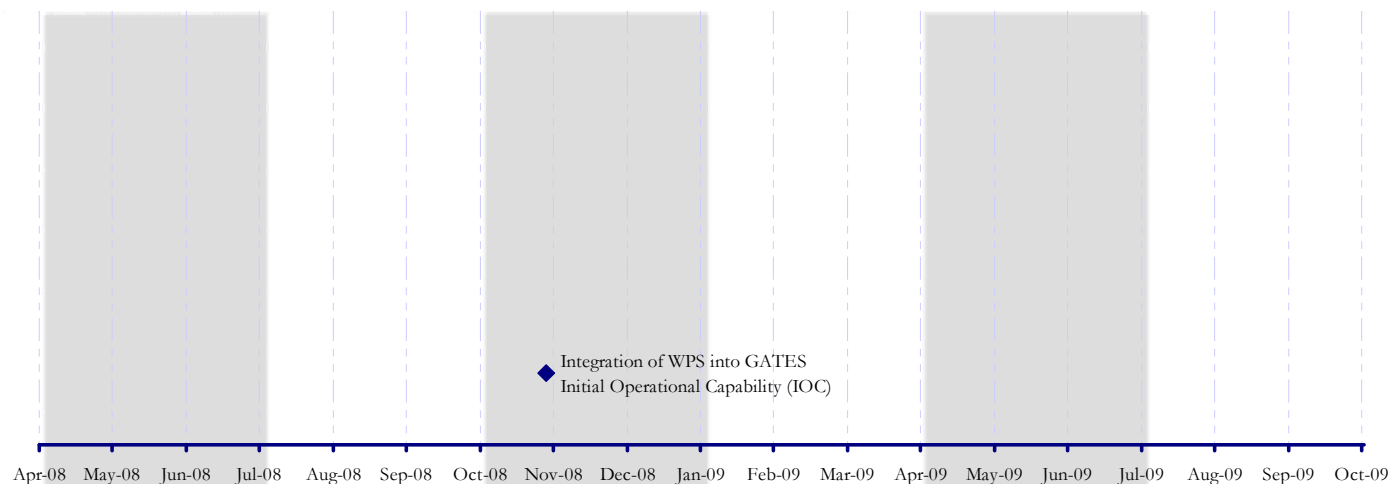
Approach

The GATES/WPS convergence will be developed in a three-phase approach:

- Phase 0 is marked for discovery, planning and analysis.
- Phase I will see the replacement of the WPS Continental United States (CONUS)/Outside Continental United States (OCONUS) Regional Database.
- Phase II will focus on terminal activities and will address wireless functionalities unique to the water terminals.

Benefits

Integration of WPS capabilities into the GATES environment will provide a single application for terminal/port operators to process and manage cargo and passengers while enhancing visibility and command and control (C2) for the warfighter.

Timeline Diagram

Initiatives Do Not Include Legacy Migrations



Port Management Automation (PMA)

Accomplishments/Capabilities Delivered:

- Completed formal software testing and gained customer acceptance in March 2008. Furthermore, the GATES Designated Approval Authority granted system certification and accreditation along with the Approval to Operate. This build combines WPS CONUS/OCONUS Regional Databases into GATES Central Site for web enabled functionality and improved standard/ad hoc reporting capabilities.
- Conducted fifth Joint Application Development Session in May 2008. At this session WPS terminal operators defined the remaining Terminal Level Functionality requirements that laid the foundation for final development of the software requirement summary, which will be used to develop software code scheduled for turnover to Government in Q2 FY09.
- Capitalizing upon Headquarters Level Functionality customer acceptance and Approval to Operate, the PMA Team is coordinating Service Approvals to Connect and subsequent fielding and training in June 2008 for close out of this build in October 2008 providing Headquarters Surface Deployment and Distribution Command (HQ SDDC) ad hoc and standardized reports.

Near-Term Plans:

- The PMA Team will continue to work towards fielding and training Headquarters Level Functionality through October 2009, which will result in the replacement of the WPS CONUS/OCONUS Regional Database with a consolidated PMA database set.



Theater Distribution Management (TDM) (Supports Priority 4)**Description**

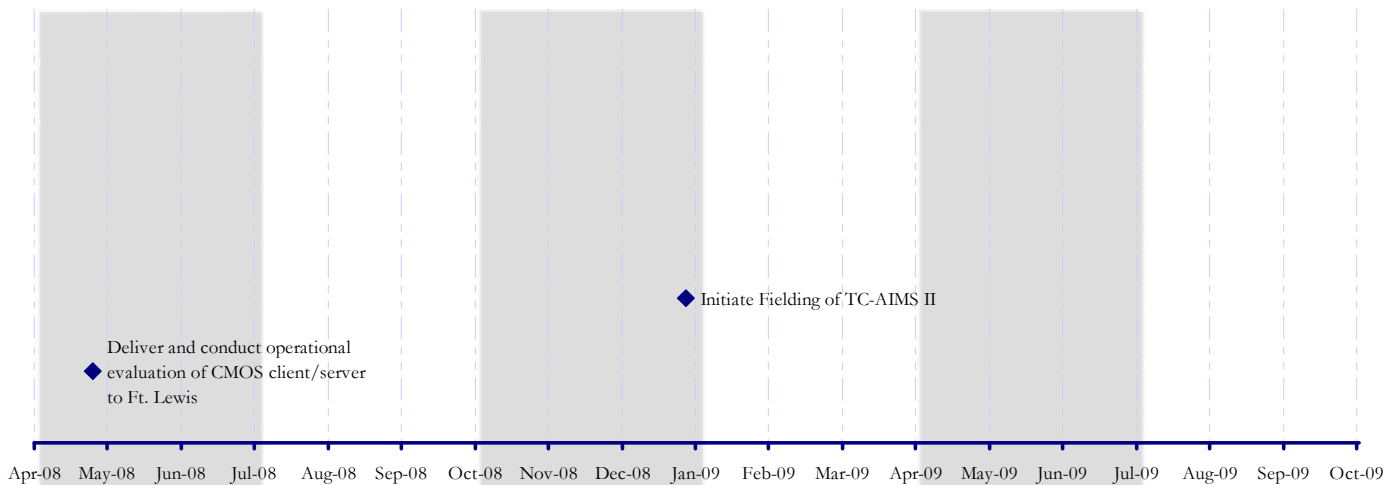
TDM will leverage existing capabilities in the Air Force's Cargo Movement Operations System (CMOS) by providing the Theater Distribution and Traffic Management requirements as defined by Transportation Coordinators Automated Information Management System II (TC-AIMS II) Blocks 4 and 5, sooner and avoiding over \$30M in costs. The TDM solution also includes the Navy's Financial and Air Clearance Transportation System (FACTS), the Army Surface Deployment and Distribution Command's (SDDC) Global Freight Management (GFM) system, Global Air Transportation Execution System (GATES) and eventually the US Marine Corps Automated Manifesting System – Tactical (AMS-TAC).

Approach

- Leveraging the benefits of TC-AIMS II and CMOS toward developing the TDM solution set.

Benefits

The TDM solution provides capabilities through web-based, web services and break-away (deployable), common user platforms that improve distribution node data flow. The vision is to improve overall efficiency and interoperability of distribution related activities across deployment, sustainment, redeployment and retrograde operations. Additional benefits and background on TC-AIMS are discussed in Chapter 5 of this document.

Timeline Diagram

Initiatives Do Not Include Legacy Migrations



Theater Distribution Management (TDM)

TDM FY07-FY09 Budget Summary and Details

This program is not discretely funded in the 2009 President's Budget (PB09) Congressional Budget Exhibit. TDM is funded through the Military Services.

Accomplishments/Capabilities Delivered:

- Deployed ARDENT SENTRY 08 (AS08) team and equipment to National Level Exercise accident site to evaluate capabilities in support of US Northern Command (NORTHCOM) in Q3 FY08. This exercise field tested the Portable Deployments Kit's (PDK) capability, as well as initiate fielding of TC-AIMS II Block 3 to National Guard personnel. This capability provided ITV via the National RFITV server, to all exercise players.
- Update the CMOS/TC-AIMS II CONOPS based on lessons learned AS08 and record new requirements for the TC-AIMS II and CMOS Functional Review Boards (FRB) for future development by Q4 FY08. This results in users' capability to conduct Joint Reception, Staging, Onward Movement and Integration (JRSO&I) procedures at the ports of debarkation.

Near-Term Plans:

- Identify and document the functional and technical requirements in late Q2 FY09, to develop an enhanced PDK that provides a more streamlined, capable system to transform the communications, form/fit/ergonomics, security, modularity, deployability and operational capability to enable command and control activities within the distribution pipeline.
- Evaluate fielding progress of TC-AIMS II and allow oversight to impact all Military Services' access to the TC-AIMS II enterprise and expedite fielding to the Area of Responsibility (AOR) in Q1 FY09. This results in the replacement of dated systems used in the AOR today for redeployment.
- Review GFM web services provided to CMOS to affect rating and ranking response time in Q3 FY09. By providing a web service, CMOS no longer has to maintain an expensive interface agreement with other systems to acquire the rating and ranking capability, but to subscribe to the service.



US Transportation Command (USTRANSCOM)

USTRANSCOM is assigned significant responsibilities for coordinating and synchronizing Department of Defense (DoD) distribution. Providing rapid global mobility support to the warfighter, across the full range of military operations, in an era of transformation presents several unique challenges in the areas of readiness, modernization, process improvement and support to our people.

As a supporting command, USTRANSCOM is working to improve DoD deployment and distribution operations and increase Joint Force Commanders' freedom of action across the full range of military employment.

USTRANSCOM's basic strategy is to maintain excellence in the command's enduring transportation and global patient movement missions, while seeking to improve distribution processes for the warfighter. USTRANSCOM's vision remains the same:

USTRANSCOM is responsible for creating and implementing world-class global Deployment and Distribution solutions in support of President, Secretary of Defense and Combatant Commander assigned missions.

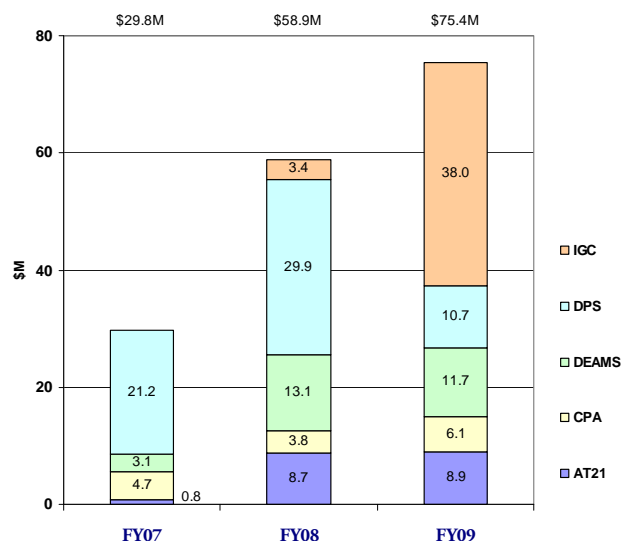
The four long-range strategic goals that support this vision remain:

- Mature the Joint Deployment and Distribution Enterprise (JDDE).
- Leverage collaboration and partnerships.
- Develop expeditionary approaches.
- Enable joint distribution concepts.

Priorities

- End-to-End (E2E) Visibility—develop an optimal distribution process that enables Command and Control (C2) and the ability to deploy joint theater logistics C2, while simultaneously improving asset visibility, effectiveness and efficiency throughout the DoD.
- Information Technology Optimization of Capabilities—maximize distribution effectiveness through the Corporate Services Vision (CSV), thus providing optimized E2E Joint Deployment and Distribution IT capabilities.
- Financial Accountability—provide superior data control and accountability by developing Chief Financial Officer (CFO)-compliant financial IT systems to consolidate/replace legacy systems.
- Execution Effectiveness—achieve 100% total asset visibility (TAV) and in transit visibility (ITV) of all materiel and forces; standardize aerial and surface port IT capabilities, processes, procedures and tactics.

FY07-FY09 Budget Summary



The COP D2, DTCTI, FC, JDPAC, JTF-PO, PMA and TDM initiatives do not meet the guidance for entry into DTTPR or SNaP-IT. They are funded from the operating budgets of affected activities; there is no separate budget.

Systems & Initiatives

Transformational

- Agile Transportation for the 21st Century (AT21)
- Common Operational Picture for Distribution and Deployment (COP D2)
- Customs Process Automation (CPA)
- Defense Enterprise Accounting Management System (DEAMS)
- Defense Personal Property System (DPS)
- Defense Transportation Coordination Initiative (DTCTI)
- Fusion Center (FC)
- Integrated Data Environment (IDE) / Global Transportation Network (GTN) Convergence (IGC)
- Joint Distribution Process Analysis Center (JDPAC)
- Joint Task Force-Port Opening (JTF-PO)
- Port Management Automation (PMA)
- Theater Distribution Management (TDM)

Fully Implemented

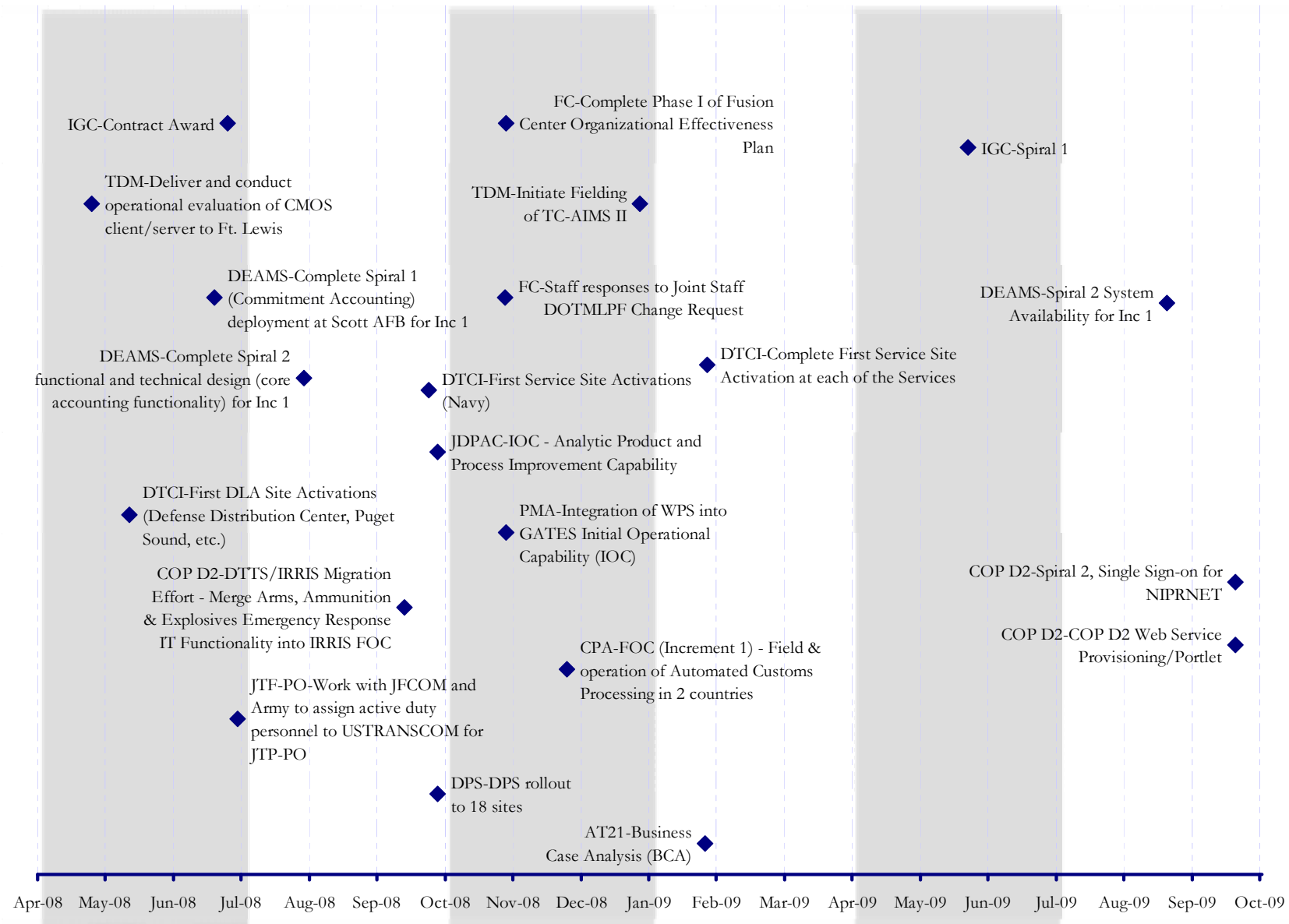
None

Changes since the March 2008 Congressional Report

There were no changes to USTRANSCOM's list of target systems.



USTRANSCOM Program Milestone Summary



The Defense Transportation Coordination Initiative (DTCI)

The Defense Transportation Coordination Initiative, a third party transportation management services partnership for shipment of military freight, went “live” on March 31, 2008, with operations in Puget Sound, Washington.

The “go-live” activities mark the first time government shippers are using DTCI to ship freight and it marks the beginning of the first of three phases aimed at managing Department of Defense freight movements in the continental United States.

“The DTCI is a dream-come-true for government shippers,” said Pat Kuntz, implementation manager for DTCI. “We are experiencing the next step in the evolution of transportation management: improving reliability, predictability and efficiencies in the movement of DoD freight within the Continental United States (CONUS).”

Phase I includes the Defense Logistics Agency CONUS Defense Distribution Centers. Sites successfully activated include Puget Sound, Washington; San Diego, California; Corpus Christi and Red River, Texas; and Barstow, California. Phase II will start before the completion of Phase I and will incorporate activities within close proximity of the Defense Distribution Centers (DDCs), selected aerial ports and other DoD shippers. Phase III will include other scheduled DoD activities.

Thirteen percent of the projected 67-site shipping volume for Phase I is now moving. The DTCI Program Management Office is planning for 59% of projected volume to be moving by the end of this calendar year. Early indications show the program is proving successful in cost avoidance. The enterprise wide cost avoidance to date is 26% and is well within the contract requirement.

DTCI uses Electronic Data Interface transactions to process shipment requests, confirm outbound shipping details and then provide shipping status to include pick-up, delays in route and delivery notification. Even the billing procedures are fully automated and allow for integration of commercial and government systems.

DTCI is a team effort according to General Norton A. Schwartz, former commander, U. S. Transportation Command. “It enables the Department of Defense—just like 80% of the Fortune 500 companies—to use a third-party logistics company to secure on-time, cross-platform and cost-effective advantages.”

DTCI is a USTRANSCOM Distribution Process Owner initiative for the DoD. It is a third party logistics freight management program designed to improve the reliability, predictability and efficiency of DoD materiel moving within CONUS by reducing cycle times and improving predictability through the use of more dedicated truck schedules, cross-docking operations, better mode selection and load optimization.

Certain categories of freight will be excluded from DTCI, such as sensitive and/or classified shipments, arms, ammunition and explosives, bulk and missile fuels, household goods and privately owned vehicles.



Chapter 10: Defense Finance and Accounting Service



DFAS Transformation Vision and Strategy

The Defense Finance and Accounting Service (DFAS) was created in 1991 to reduce the cost of Defense Department finance and accounting operations and to strengthen management of finance and accounting activities across the Department. Since its inception, DFAS has consolidated more than 300 installation-level offices into 13 and reduced the workforce from about 28,000 to approximately 13,000 personnel.

The DFAS's vision is transforming with the warfighter to remain the trusted financial partner for the Department of Defense (DoD). Base Realignment and Closure (BRAC) impacts DFAS by integrating many sites into five major centers. The organization will continue to shift its focus to be a joint service provider, to smoothly meet the needs of all the armed services.

Key aspects of DFAS's transformation strategy to achieve the vision include taking a leadership role in standardizing and improving finance and accounting activities across all components of the Department. It also focuses attention on the valuable role DFAS plays in supporting DoD to prevail in the Global War on Terror (GWOT). Equally important are the changes DFAS has made to improve its processes for developing strategy and the DFAS Balanced Scorecard (BSC). Those improvements include a clearer connection of the goals and objectives in the strategy to specific measures on the DFAS BSC.

According to DFAS Director Zack E. Gaddy, "The Balanced Scorecard has turned our vision and strategy into a meaningful set of performance measures and targets. It is a management and diagnostic tool that measures our performance at multiple levels and helps assess the health of our organization and demonstrate our progress on completing key initiatives. The BSC has helped us achieve dramatic improvements in our performance."

DFAS continues its commitment to process improvements and risk management initiatives. DFAS also remains committed to attracting, retaining and developing its employees, who make it all happen.

DFAS Business Transformation Overview

DFAS has five long-term strategic goals, which cascade throughout the organization, assisting in the development, refinement and prioritization of actionable initiatives and allocation of resources.

The goals are:

- Support DoD in prevailing in the GWOT.

In time of war, DFAS has increased responsibilities to effectively meet the pay entitlement needs of military members and their families. DFAS must also deliver timely and reliable cost of war and other financial information to DoD's decision makers.

- Lead transformation of finance and accounting functions throughout DoD.

DFAS is responsible for directing the consolidation, standardization and integration of finance and accounting requirements, functions and systems within DoD. This goal emphasizes DFAS's efforts to standardize and improve financial management business processes.

- Perform the DFAS mission at best value for DoD.

DFAS has a responsibility to provide the best possible stewardship over DoD finances. DFAS does this by working to improve internal financial management and investing wisely in innovative systems and process improvements. This will enable DoD to redirect resources to the warfighting mission.

- Attain operational excellence in finance and accounting services.

Transforming DFAS to attain operational excellence in financial management services will enable DoD to deliver better financial services to its customers. DoD will be able to deliver financial information with accuracy and reliability and ensure that DoD personnel and their families receive established entitlements.

- Attract, develop and retain a highly capable workforce with relevant skills and competencies.

DFAS will position its workforce to be more adaptive to changing customer needs, more responsive to external performance requirements and more innovative to improve internal processes that deliver the best value to the DoD.

Transformation and the DFAS Balanced Scorecard

The BSC is DFAS's tool for tracking progress toward achieving its goals and includes measures, targets and strategic initiatives. The scorecard eliminates exclusive reliance on financial measures as a gauge of success and provides a quantitative assessment of performance against targets. It assesses DFAS's overall performance in terms of customers, stakeholders, processes and continued improvement.

Information Technology Perspective

DFAS provides support to existing IT (e.g. infrastructure, telecommunications, computing and software engineering services) and to current and future initiatives such as BRAC and the Defense Integrated Military Human Resource System (DIMHRS) development. DFAS continues to strive for a modern integrated net-centric business environment that supports the DoD warfighters' needs. The IT Strategy is a 'blueprint' for evolving mission-essential and mission-support systems to a fully compliant, modernized, integrated DoD financial management environment. The integrated approach is in compliance with the Business Enterprise Architecture (BEA) and simplifies, standardizes and integrates business practices and systems while eliminating redundant, outdated and stove-piped systems; it utilizes compliance assessment and portfolio management to incrementally reengineer the Department's business processes.

DFAS is a front-runner in DoD for many IT systems initiatives and efforts:

- DFAS has implemented required DoD Information Assurance (IA) tools such as the Host Based Security System (HBSS). The Computer Network Defense Service Provider (CNDSP) Team regularly shares expert knowledge and information regarding best practices, lessons learned and challenges encountered with regard to general network architecture, scanning methodologies, remediation strategies and hardware configurations.
- The Controlled Unclassified Information (CUI) working group for the DoD Finance Community of Interest (COI) is led by DFAS and has facilitated the collection of cost projections for making system changes to DoD finance systems to accommodate the new Federal CUI markings at the request of DoD project officials (ASD/NII and Office of the Under Secretary of Defense (OUSD/I)).
- In support of the agency's strategic goal to prevail in the GWOT, DFAS provides tactical support to the Army and Marine Corps for Operation Iraqi Freedom. Systems and operations support for the



Deployable Disbursing System (DDS) is available 24/7 while DFAS continues to deliver software changes as requested by U.S. soldiers and Marines.

Moreover, the strategy fully supports the agency goals and objectives and is directly linked to the BSC as we move forward in providing comprehensive financial information to our customers in a secure and timely manner.

DFAS Priorities Overview

Transformation involves every aspect of the organization. DFAS has identified a group of high visibility initiatives that support this transformation. The initiatives are interdependent and interrelated and focus on reducing the organizational footprint, replacing legacy technologies, streamlining enterprise systems and supporting change management activities. The initiative schedule, cost and risk maturity ratings expose critical areas that need improvement. They are geared to identify clear, DFAS-specific, measurable outcomes.

In October 2006, DFAS instituted In-Process Reviews (IPRs) as a means to share the status of transformation initiatives. Initial IPRs were tactically focused, including general points of interest associated with the transformation initiatives, current issues and summary schedule overviews. The IPRs evolved to include the Transformation Dashboard as a key source of business intelligence from which to report. Today's IPR format has evolved to focus more heavily on the objectives and outcomes of the initiatives and serves as a forum to highlight the progress toward—and risks associated with—higher level strategic outcomes.

DFAS's business transformation priorities include:

- 1) Reduce the Number of Urgent Military Pay Problems
- 2) Improve Financial Performance by Automating Manual Processes, Eliminating Redundancies and Developing Technical Capabilities
- 3) Expand Electronic Commerce (EC) Capabilities
- 4) Promote Process Improvement and Risk Management

DFAS Program and Initiative to Priorities Mapping

The table below depicts the relationships between DFAS's transformational programs and initiatives and the DFAS priorities they support.

Programs and Initiatives	Priorities			
	1	2	3	4
Electronic Commerce/Electronic Data Interchange (EC/EDI)			•	
Standard Disbursing Initiative (SDI)		•		
Transformational Activities				
Military Pay Improvement Action Plan (MPIAP)	•			
Wounded Warrior Pay Management Program (WWPMP)	•			
DFAS DIMHRS Integration Office (DDIO)	•			
Defense Retiree and Annuitant Pay System (DRAS) Modernization	•			
Accounting High Performing Organization (HPO)		•		
Base Realignment and Closure (BRAC)		•		
Business Intelligence (BI)		•		
Human Capital Strategy (HCS)		•		
Electronically Post Contract Data			•	



Programs and Initiatives	Priorities			
	1	2	3	4
Automate Invoicing and Receipts and Acceptance Process			•	
Lean Six Sigma (Lean6)				•
Enterprise Risk Management (ERM)				•
Business Activity Monitoring (BAM)				•

DFAS Priority #1 and Metrics: Reduce the Number of Urgent Military Pay Problems

This priority focuses on providing timely and accurate pay services to America's Armed Forces. This includes computing pay and processing garnishments, debt and claims for six million military members, civilians, retirees and annuitants. The military compensation system has over 70 separate types of pay and allowances. It is supported by systems that are struggling to adapt to the continuous changes to military pay entitlements, the complexity of determining eligibility and the associated computation rules.

DoD's strategy to reduce the number of urgent military pay problems is to implement DIMHRS. DIMHRS is expected to deliver more timely and accurate pay computations and should significantly improve the process for implementing changes to computation rules, rate tables and eligibility criteria. The DDIO supports every stage of DIMHRS development through responsive and quality input to the design, development and deployment of pay functionality. This priority supports the Personnel Visibility Business Enterprise Priority.

Transformational Activities

MPIAP: The OUSD Personnel and Readiness (P&R), DFAS and executives from each Department work together to simplify and resolve problems with military compensation. A number of system changes identified by the MPIAP have been implemented to improve military pay and to address changes resulting from legislative updates. The members are now focused on implementing DIMHRS.

Accomplishments/Capabilities Delivered:

- In Q3 FY08 OUSD(C) approved a request to transfer dormant Savings Deposit Program (SDP) accounts to the members' Electronic Funds Transfer (EFT) account of record. This was a major step in clearing 3,000 accounts for soldiers who departed the war zone. During this same period, DFAS conducted a Lean6 Black Belt review, which resulted in improved oversight of the SDP.
- Completed a Lean6 Green Belt project in Q3 FY08 to enhance the capability for processing Military Pay inquiries. As a result of this project, DFAS updated the Frequently Asked Questions and established a review process to ensure that information is current and responses to customers are relevant.

Near-Term Plans:

- Improve the functionality of MyPay security to meet the increasing threat of attackers attempting to obtain customers' sensitive data in Q1 FY09. By October 2008, the planned implementation of Public Key Infrastructure (PKI) Common Access Card (CAC) access will provide customers greater ease of access and protection from threats such as key logging software.

WWPMP: The WWPMP was established to provide accurate, real-time financial support to service members who are medically evacuated as a result of wounds, disease or injury incurred while serving in a combat zone. The WWPMP operates as the "hub of the wheel" where pay is concerned and provides the critical human dimension of world-class customer service to wounded warriors and their families. Depending on a Service Member's personal situation, entitlements may be starting, changing or stopped during transition between the deployment and medical treatment. The WWPMP works with wounded warriors to help them to better understand their entitlements.



Accomplishments/Capabilities Delivered:

- Updated and published English and Spanish versions of Wounded Warrior Entitlements Handbook and tri-folds to include National Defense Authorization Act (NDAA) 2008 legislation in Q4 FY08. This enabled DFAS to provide an improved level of service to the increasing numbers of Wounded Warriors.

Near-Term Plans:

- Expand use of debit cards to issue travel advances to Wounded Warrior family members at Army Medical Treatment Facilities in Q1 and Q2 FY09. This initiative is being piloted at Brooke and Walter Reed Army Medical Centers.
- Explore the feasibility of other Services using the Debit Card Program for advancing travel payments to family members of Wounded Warriors in FY09.

DDIO: DDIO provides input to the design, development and deployment of the pay functionality within the DIMHRS (Personnel/Pay) Program. The scope of DFAS's support of DIMHRS includes program management, application development, system test and evaluation, deployment, training and sustainment related to preparing for and implementing DIMHRS in DFAS. DFAS works closely with the DIMHRS Project Management Office to provide key deliverables such as military pay requirements, legacy system interfaces, cleansed military pay data, system change requests, test scenarios, deployment plans and organization transition plans.

Accomplishments/Capabilities Delivered:

- The DDIO led teams of subject matter experts (SMEs) who continued to work 19 DoD Enterprise-level initiatives throughout Q3 and Q4 FY08 to find better, more effective ways to do business. During this period, DDIO closed out several issues regarding garnishment frequency, court ordered debts and the approval of pay items.
- In Q3 and Q4 FY08, DDIO hosted Summit meetings with the Services and published a newsletter to keep customers apprised of their progress. This sharing of information has been very beneficial in the development process and has been adopted as a best business practice for future system implementations.

Near-Term Plans:

- SMEs will continue to work 77 internal change initiatives in Q1 FY09 to ensure the organization is postured for a post DIMHRS environment. DDIO will maintain a dashboard to provide statistics and metrics related to each initiative and will work to automate the process.
- Work with the Transition Teams, Army DIMHRS Project Office and Army Human Resources Command to account for the functions being transferred from DFAS to Army and to review the 'To Be' personnel processes in Q1 FY09.
- Assist with preparation for and execution of the DIMHRS pay pilot in Q1 FY09.
- Work the internal DFAS organization transformation required to meet the DIMHRS Initial Operating Capability (IOC) dates.



Metric: DFAS DIMHRS Integration Office

The implementation of DIMHRS at DFAS supports the priority to reduce the number of urgent military pay problems. Figure 10-1 shows the DDIO project pillars, which are used to measure the health of the project. This indicates that DFAS has a number of key interfaces that need to be completed in the Application Development area and they are behind on Systems Testing. All other areas of the DDIO schedule are on track.

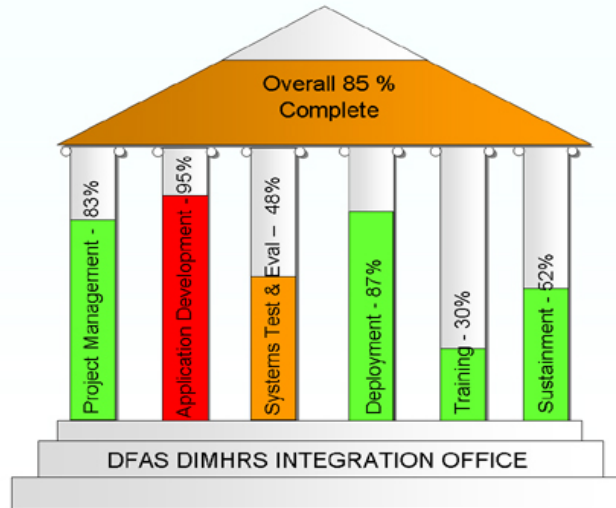


Figure 10-1: DFAS DIMHRS Integration Office

DIMHRS integration, self-service and technological enhancements will facilitate more than a 65% reduction in DFAS military pay support. Budgeted savings for DFAS are \$30M and 407 work years by FY11. This supports the goal of improving the efficiency of military pay.

DRAS Modernization: DRAS is built on aging technology and is difficult to maintain and update. A new system would be more reliable and cost effective and would ensure that retirees and annuitants continue to be paid accurately and on time. DFAS conducted an Analysis of Alternatives in FY07 that compared the existing system, Commercial Off-the-Shelf (COTS) products and DIMHRS. DFAS is now leading an effort to complete a Fit/Gap Analysis to include review of the new Coast Guard retiree system and to determine the best course of action. The goal is to streamline business processes, reduce cost per case and minimize rework.

Near-Term Plans:

- Complete Fit/Gap Analysis and determine course of action by Q3 FY09.

DFAS Priority #2 and Metrics: Improve Financial Performance by Automating Manual Processes, Eliminating Redundancies and Developing Technical Capabilities

This priority focuses on achieving operational excellence through consolidation and standardization, reducing costs by eliminating rework, increasing productivity and automating critical processes.

This priority supports the Business Enterprise Priority of Financial Visibility (FV).

Transformational Activities

HPO: The HPO is a foundational and internal initiative aimed at increasing operational efficiency by consolidating operations, reorganizing functions into a standard structure and implementing process improvements at the five enduring sites. The new organization will enhance the professional accounting services, analysis and consultation services DFAS provides to DoD customers and create flexibility to adapt in the changing environment. Through this initiative, DFAS will achieve increased efficiencies, reduced operating costs and stronger customer support.

Five Sites:

- Cleveland, Ohio
- Columbus, Ohio
- Indianapolis, Indiana
- Limestone, Maine
- Rome, New York

Accomplishments/Capabilities Delivered:

- Completed the update of the Site Standard Operating Procedures and Desktop Guides in line with the Accounting HPO in Q4 FY08.
- Published updated versions of the Accounting HPO Concept of Operations (CONOPS) (DFAS 5100.9M), Mission and Functions Statement (DFAS 5100.8M) and Instruction (DFAS 7100.10I) in Q4 FY08.

Near-Term Plans:

- Develop and execute improvement plans that will focus on strengthening customer relations, establishing standard reconciliation procedures, implementing effective management controls and developing employee skills in Q1 and Q2 FY09.

BRAC: BRAC is an ongoing DoD initiative to reorganize its base structure to more efficiently and effectively support its forces, increase operational readiness and facilitate new ways of doing business. BRAC will consolidate DFAS's infrastructure to five primary and five supporting sites and reduce overall staffing to less than 10,000 employees. BRAC transformation will yield DFAS a net savings of \$467M by FY11.

Accomplishments/Capabilities Delivered:

- Closed the Omaha, Nebraska; Pensacola, Florida; Rock Island, Illinois; and Kansas City, Missouri sites to meet BRAC requirements and remained on schedule and within budget in Q3 and Q4 FY08.

Near-Term Plans:

- Realign Arlington, Virginia, site in Q2 FY09.
- Continue realignment of assets from Denver to Indianapolis prior to closure in March 2010.

Metric: BRAC Personnel Placement

BRAC and its associated personnel placement support the priority of eliminating redundancies. DFAS's goal is to minimize the adverse affects of BRAC on the workforce. The agency is committed to helping employees affected by BRAC to continue their DFAS careers, find jobs with other Federal agencies or pursue other available options. DFAS is proud of its success as the number of employees who were involuntarily laid off is very low. BRAC personnel placement categories are:

- Retirement includes Voluntary Early Retirement Authority/Voluntary Separation Incentive Program (VERA/VSIP) acceptance and Direct System Reimbursement (DSR) eligible personnel.
- Placement includes DFAS and other DoD agency placements and placement after Reduction-in-Force.
- Separation includes attrition only.
- Reduction-in-Force is limited to involuntary separations.



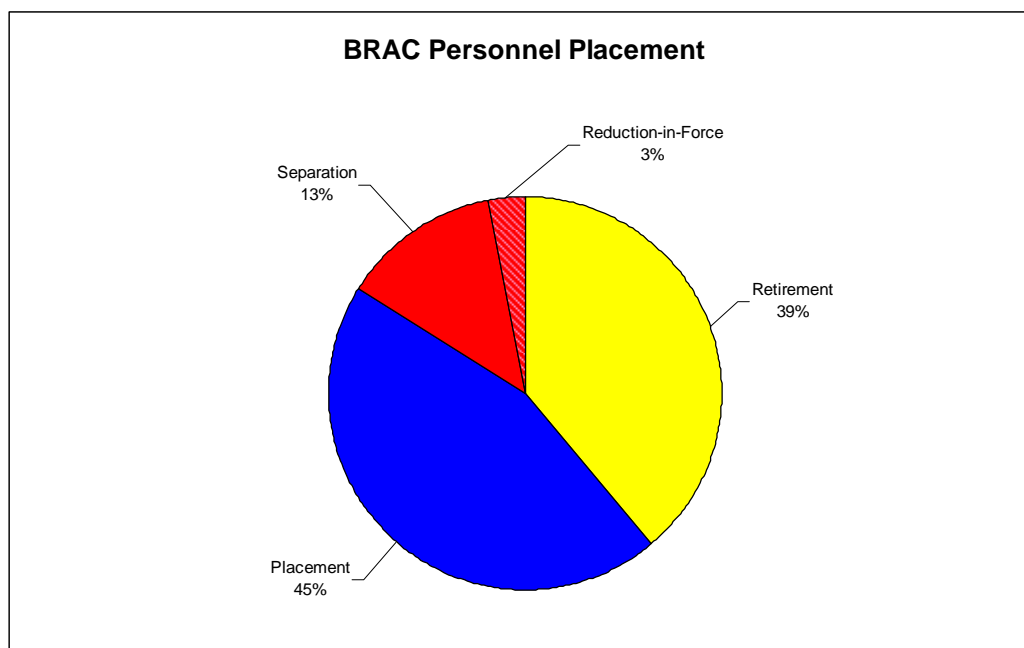


Figure 10-2: BRAC Personnel Placement

BRAC legislation requires sites be closed during the period 2006 through 2011. DFAS has closed 17 of the 20 sites targeted, achieving an 85% completion rate during the first two years of the project. DFAS accomplished the site closures on time and within budget. From inception to date, DFAS has averaged a 45% personnel placement rate, 39% retirement rate and 13% separation rate, of which 3% were reduction-in-force. A reduction-in-force target was not set, but given the size of the BRAC initiative, 3% is a great accomplishment. The remaining three sites are scheduled to be closed by Q1 FY11.

BI: BI continues to support the Department's efforts to improve the credibility, transparency and timeliness of Contingency Operations financial management reports.

Accomplishments/Capabilities Delivered:

- Completed development of Monthly GWOT Status of Funds Report in Q3 FY08. This report was made available to executives and external stakeholders.
- Developed a Contingency Operation Reporting and Analysis Service that automated information delivery in Q4 FY08.

Near-Term Plans:

- Reduce reporting time for Contingency Operation reports from 45 days to 30 days in Q1 FY09.

HCS: The DFAS HCS is intended to deliver an infrastructure facilitating enterprise wide Human Capital management. This will be accomplished through the establishment of a cross-functional strategic committee with representatives from all Human Capital initiatives. The stakeholders will collaborate on the development of a bi-annual readiness assessment report and a readiness index measure that will be reported via the BSC. A critical initiative supporting this strategy is the Leaders in Motion (LIM) program. LIM is a three-year internship designed to meet future staffing requirements and to position DFAS as an employer of choice. Participants gain an understanding of broad-based financial and business concepts, effective leadership and communication skills and practical experiences in applying academic principles and theories.

Accomplishments/Capabilities Delivered:

- Developed a Workforce Planning Toolkit to aid DFAS Transformation efforts from a human capital perspective in Q3 FY08. DFAS is piloting the Toolkit in line with the ERP transitions.

- Established professional series (510, 511, 501/505/560, 343, 201, 2210 and 1102) career development roadmaps, aligning with the Agency's credentialing program and BSC targets in Q3 FY08.
- Developed the DFAS 2008-2013 Human Capital Strategic Plan in Q3 FY08.
- Identified and baselined the employee engagement measure in the DFAS annual organizational assessment survey and new hires on-boarding survey in Q3 FY08.
- Deployed the Competitive Academic Degree Program in Q3 FY08. This will enhance the professionalism of the DFAS workforce by increasing the number of employees who are able to complete a bachelor's or graduate degree in a mission-related field.

Near-Term Plans:

- Finalize the DFAS Human Capital program governance structure and processes in Q1 FY09. This initiative will be tracked and reported on via the enterprise initiative management system dashboard.
- Revise the DFAS Human Capital readiness assessment semi-annual report and Human Capital readiness index measure in Q1 FY09. Report and metric issued to DFAS management on semi-annual basis. Metric will be reported via DFAS's BSC by FY10.
- Begin expansion of succession management planning to GS-13 positions and below in Q2 FY09. Current program tracking incumbents and successors at GS-14 and above via centralized succession planning database and reported on in FY08 BSC.
- Evaluate and revise Human Resources service delivery model for more effective and efficient HR and Human Capital services in Q2 FY09. Key performance indicators include number of staff, labor costs, facilities costs, Level of Effort per HR function, etc.
- Utilize Office of Personnel Management's (OPM) predictive workforce planning database for refined workforce forecasts and planning in Q1 FY09.
- Deploy revised "Quality of Hire" assessment tool to determine best recruitment practices and sources for talent in Q1 FY09. Metric is survey-driven and part of the semi-annual Human Capital readiness index and report.
- Expand marketing and access of Personnel Force Innovation (PFI) Program in Q2 FY09.

DFAS Priority #3: Expand Electronic Commerce (EC) Capabilities

EC focuses on expanding initiatives and addresses entitlement, accounting and disbursing processes for the Services. The EC Business Plan (ECBP) targets e-commerce initiatives that will reduce costs. Analysis indicates potential savings of several hundred Full Time Equivalents (FTEs) within DFAS after implementation of the targeted initiatives. This priority supports the Business Enterprise Priority of Common Supplier Engagement.

The strategy to achieve this priority includes:

- Analyzing end-to-end processes and identifying breakpoints. Identifying solutions with emphasis on BRAC closures, enterprise systems, standardized processes, governing priorities, cost savings and system migrations.
- Incorporating EC initiatives in the Financial Improvement and Audit Readiness (FIAR) Plan and Accounts Payable Working Group efforts.
- Partnering with the Defense Contract Management Agency (DCMA), Components and vendors to ensure compliance with the Defense Federal Acquisition Regulation Supplement (DFARS) requiring electronic submission of invoices.
- Leveraging existing IT solutions to improve DFAS operations: EC/EDI, Purchase Card, Standard Procurement System (SPS), Wide Area Workflow (WAWF), PowerTrack, Integrated Accounts Payable System (IAPS), Database Expansion and Restructure (DEAR) and Corporate Electronic Document Management System (CEDMS).



- Conducting monthly WAWF training for vendors, DFAS Vendor Pay and acceptors.

Transformational Activities

Electronically Post Contract Data: DFAS uses SPS to electronically post contract data to the entitlement systems. SPS automates and standardizes procurement processes. DoD's software products are used by contracting professionals at DFAS, the Services and other Defense Agencies to improve support to our warfighters and to increase efficiency and accountability.

Automate Invoicing and Receipts and Acceptance Process: WAWF is a paperless Defense transformation program designed to provide authorized Defense contractors and DoD personnel with the ability to create invoices and receiving reports and access contract related documents. DFAS uses WAWF to automate the invoicing, receipts and acceptance process for contracts.

The benefits of using WAWF include reducing manual processes, providing better service to the customer, lower costs and real-time transaction processing and visibility.

DFAS Priority #4: Promote Process Improvement and Risk Management

This priority focuses on the need to improve efficiency and effectiveness through continual process improvement and adoption of best practices. DFAS uses Lean6 to provide the necessary tools and techniques to eliminate errors and improve quality through continuous process improvement. The goal is to create an environment conducive to employee-initiated process improvements and innovation.

The DFAS ERM initiative provides an Enterprise-wide perspective on risk management at the program level. ERM integrates a framework for understanding the risks to each organization's goals and strategic objectives. The BAM tool will target systems with high impact on DFAS goals and objectives and identify anomalies and risks. BAM's initial focus will be to take corrective actions in the areas of Improper Payments, Fund Balance with Treasury (FBwT) and Reconciliation of Entitlement, Accounting and Disbursing systems.

DFAS will ensure the success of the ERM and BAM initiatives by performing activities such as establishing governance, taxonomies and risk management training, identifying core areas and risks, ensuring internal controls are established to mitigate risks, developing, and implementing system architecture through the "ERM Dashboard". This priority supports the Business Enterprise Priority of FV.

Transformational Activities

Lean6: Lean6, DFAS's continuous process improvement program, provides a fact-based approach for improving DFAS business processes and delivering best value to customers. The program provides the tools and structure for process analysis and improvement with the ultimate goal of reducing waste and variation. DFAS Lean6 identifies opportunities to improve processes and customer service, increases productivity, decreases costs, reduces errors and eliminates rework. DFAS is engaged in the Deputy Secretary of Defense Continuous Process Improvement/Lean Six Sigma initiative by implementing a plan to train and certify 1% of the DFAS population as Black Belts and 5% as Green Belts.

Accomplishments/Capabilities Delivered:

- Delivered Green Belt training to 360 DFAS employees and created 85 developmental Black Belt opportunities. These individuals completed 103 Lean6 projects resulting in \$86M in cost savings to DFAS in FY08.
- Completed training first cadre of Master Black Belts and transitioned Black Belt training to in-house delivery in Q4 FY08.
- DFAS Cleveland, Ohio; Columbus, Ohio; Denver, Colorado; Kansas City, Missouri; Texarkana, Texas and Indianapolis, Indiana, established a "Lean6 Wall of Fame" that displayed certified Green Belts and profiled the accomplishments of one individual's Q4 FY08 project. The goal is to increase awareness and encourage participation by highlighting how individuals can make a difference in the agency.



Near-Term Plans:

- Achieve Deputy Secretary of Defense Black Belt goals in Q1 FY09.
- Complete mentoring first cadre of Master Black Belts in Q1 and Q2 FY09.

ERM: ERM integrates the DFAS management and internal controls program, audit oversight; systems control program, balanced scorecard, Improper Payment Information Act implementation and several other compliance programs under a single visual reporting and decision support capability for the effective management of risk. ERM will help to identify and reduce potential mistakes, financial losses and workplace inefficiencies in the agency along with creating a web-based risk management solution integrated across all DFAS business areas.

Accomplishments/Capabilities Delivered:

- Implemented ERM Risk Management Training Program and trained over 700 employees and managers in Q3 and Q4 FY08.
- Launched an ERM ePortal Community Page in Q3 FY08.
- Launched an on-line Intro to Risk Management Training for all DFAS Employees in Q3 FY08.

Near-Term Plans:

- Complete process mapping for all key processes by Q1 FY09.
- Transfer accumulated documentation from the transition dashboard to the final technological solution by Q2 FY09.

BAM: BAM is a tool that facilitates aggregation of real-time information about the status and results of various operations, processes and transactions so business decisions can be informed, quickly address problem areas and re-position organizations to take full advantage of emerging opportunities while reducing enterprise risks.

Accomplishments/Capabilities Delivered:

- Implemented BAM tool to detect and prevent improper payments (CAPSW) in Q4 FY08.
- Implemented BAM to reconcile Master Line of Accounting Tables (Fund Balance with Treasury (FBWT)) in Q3 FY08.

Near-Term Plans:

- Implement BAM FBwT reconciliation of Defense Cash Accountability System (DCAS) to Standard Accounting and Reporting System (STARS) in Q1 FY09.
- Implement BAM detection and prevention of improper payments (Mechanization of Contract Administration Services (MOCAS), IAPS and OnePay) in Q1 FY09.
- Implement BAM READ reconciliation of entitlement, accounting and disbursing in Q1 FY09.
- BAM full operating capability (FOC) Q1 FY09.



DFAS Programs

Electronic Commerce/Electronic Data Interchange (EC/EDI) (Supports Priority 3)

Description

Electronic Commerce (EC) encompasses development and implementation of e-commerce solutions to improve business processes. DFAS, Components and vendors work collaboratively to support projects that offer performance gains across agency boundaries.

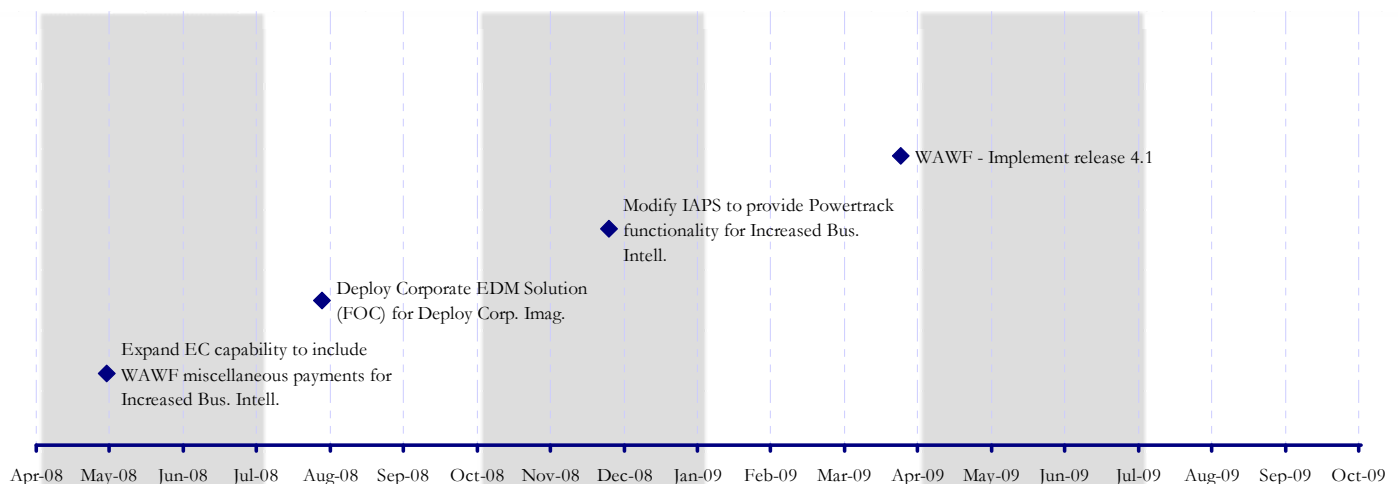
Approach

- Implement EC initiatives to process all financial transactions electronically.
- Leverage IT investments to reduce the number of entitlement systems.
- Provide customers with real-time secure access to financial data.
- Provide customers savings through reduced billing rates.

Benefits

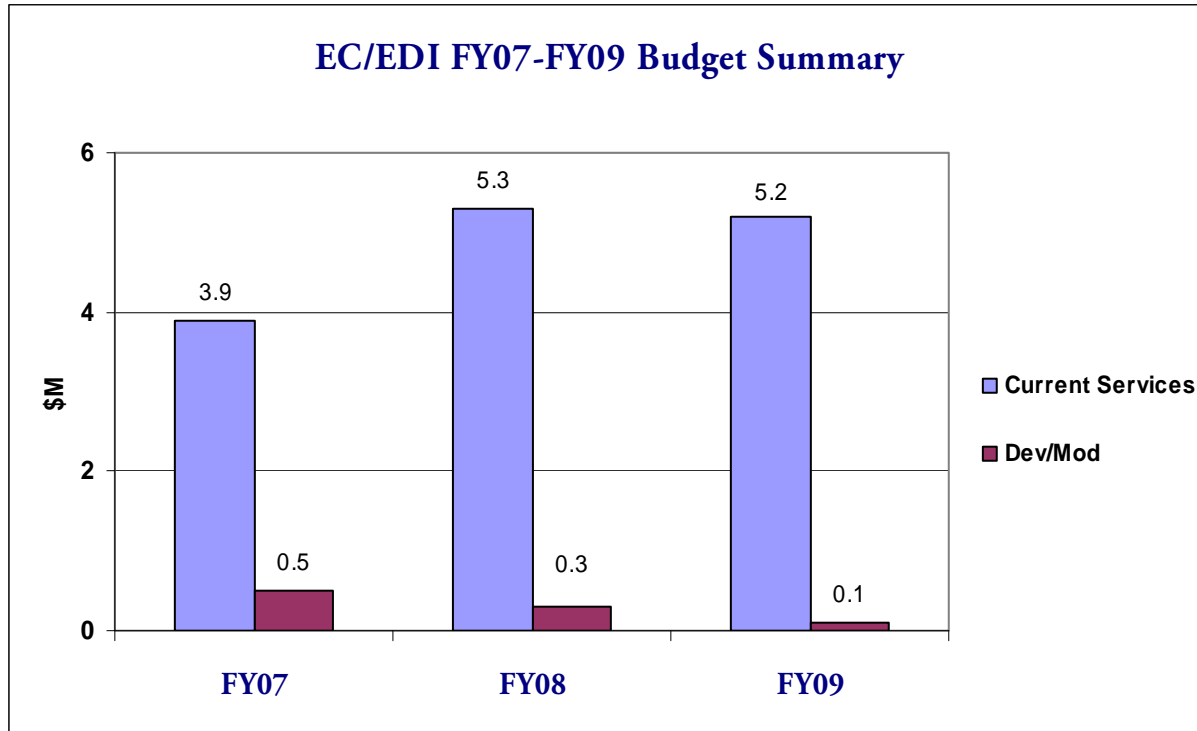
Maximizes use of e-commerce reducing operation cycle time, errors, rework and improper payments; Reduces DFAS processing costs; Improves operations and financial management information for decision makers; Supports the President's Management Agenda (PMA) and other e-government initiatives; Increases auditability; and Ultimately reduces the DFAS bill to Services and Defense Agencies.

Timeline Diagram



Initiatives Do Not Include Legacy Migrations



Electronic Commerce/Electronic Data Interchange (EC/EDI)**EC/EDI FY07-FY09 Budget Summary and Details**

The budget investment is expected to provide funding for the changes that are needed to the mapping from WAWF to the entitlement and accounting systems. The level of funding is sufficient to achieve the program's FY09 release plans, but is not sufficient for any program changes that will be needed for new requirements definition.

Based on the 2009 President's Budget cycle, the Navy, Army and Air Force should see increased functionality in their invoice processing capabilities.

Accomplishments/Capabilities Delivered:

- New DFAS operations and eSolutions personnel combined efforts to identify opportunities to improve the electronic posting of contract data to entitlement systems.
- Close coordination with contracting office resulted in an increase in the successful electronic posting of contract data. This was achieved by a reduction in rejects and improved timely receipt of SPS contract files.
- Expanded EC capability to include WAWF miscellaneous payments in Q3 FY08.
- Completed testing and implementation of release 4.0 in Q3 FY08. The release included electronic submission of attachments for EDI, addition of cost voucher document types for Enterprise Business Systems (EBS), submission of exhibit line item number or other line item information, additional line item warranty data and government create on behalf of vendor.
- Completed CEDMS scanning operations at the Pensacola, Florida; San Diego, California and Rock Island, Illinois, closing sites in Q3 FY08.



Electronic Commerce/Electronic Data Interchange (EC/EDI)

- Completed CEDMS scanning operations at the Kansas City, Missouri, closing site in Q4 FY08.
- Implemented CEDMS at the Indianapolis, Indiana site in Q4 FY08.
- Deployed CEDMS (FOC) in Q4 FY08.
- Implemented debt and claims functionality at DFAS-Indianapolis in Q3 FY08.

Near-Term Plans:

- Modify IAPS to provide PowerTrack functionality in Q1 FY09.
- Increase coordination efforts with both internal and external customers, by actively participating at customer conferences and meetings, i.e., DFAS Customer Symposiums and SPS Conference.
- Implement release 4.1 in Q2 FY09, to include Naval Sea Systems Command (NAVSEA) Supervisor of Shipbuilding, Conversion and Repair invoice processes, regeneration EDI modification, EDI and FRP vendor notifications and 811 for Telecom (may be in a later release).
- Ongoing efforts to expand scanning efforts at the enduring sites. CEDMS 3.0 requirements have been approved.



Standard Disbursing Initiative (SDI) (Supports Priority 2)**Description**

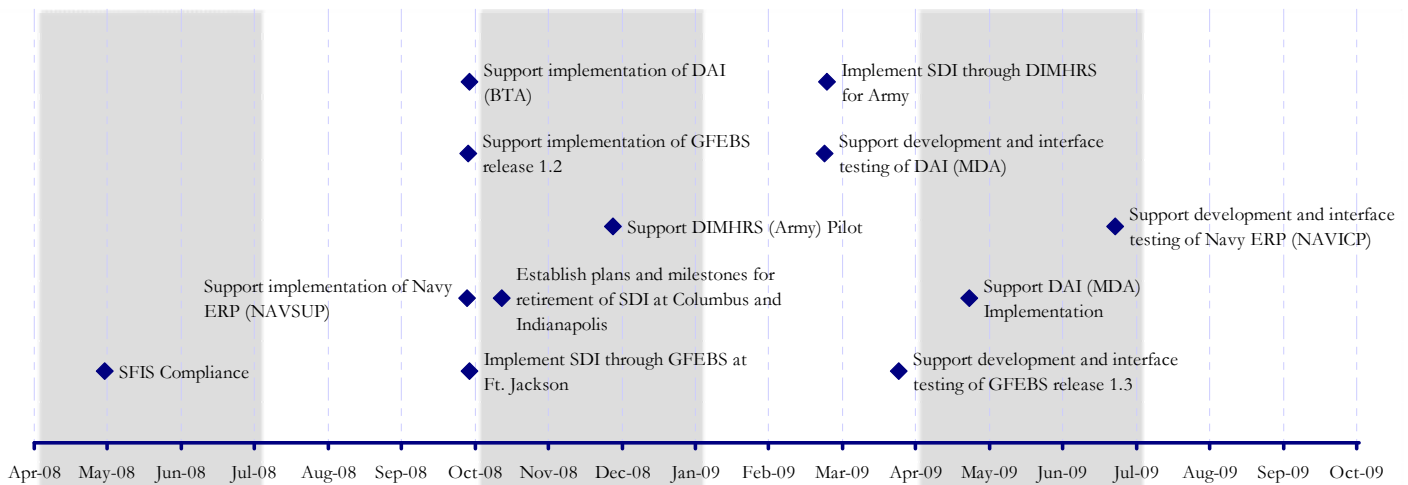
The Standard Disbursing Initiative (SDI) is a single integrated disbursing capability, providing tactical and enterprise disbursing services to the deployed warfighter and Department of Defense (DoD) components. The SDI tactical disbursing functions are an expansion of enterprise functions and are specifically designed to meet the disbursing needs of the deployed warfighter. This includes in-theatre placement, such as in Iraq and also for contingency operations, such as natural disasters like Hurricane Katrina. The SDI enterprise functions are designed to work at DFAS centers in direct support of the Enterprise Resource Planning (ERPs) systems, providing disbursing services as required for payment of commercial, military, civilian and transportation pay. Additionally, SDI will retire legacy disbursing systems and embedded disbursing functionality.

Approach

DFAS is consolidating disbursing systems and operations. Primary DFAS functions in this effort include: project management oversight; system support (specifically required system changes to DFAS owned systems); funding; standard disbursing requirements to define what the "to be" system will do for all networks; and functionality and technical support to ensure blueprinting, requirement definition, interfaces, testing, training and implementation timelines pertaining to disbursing for DoD and service ERPs are met.

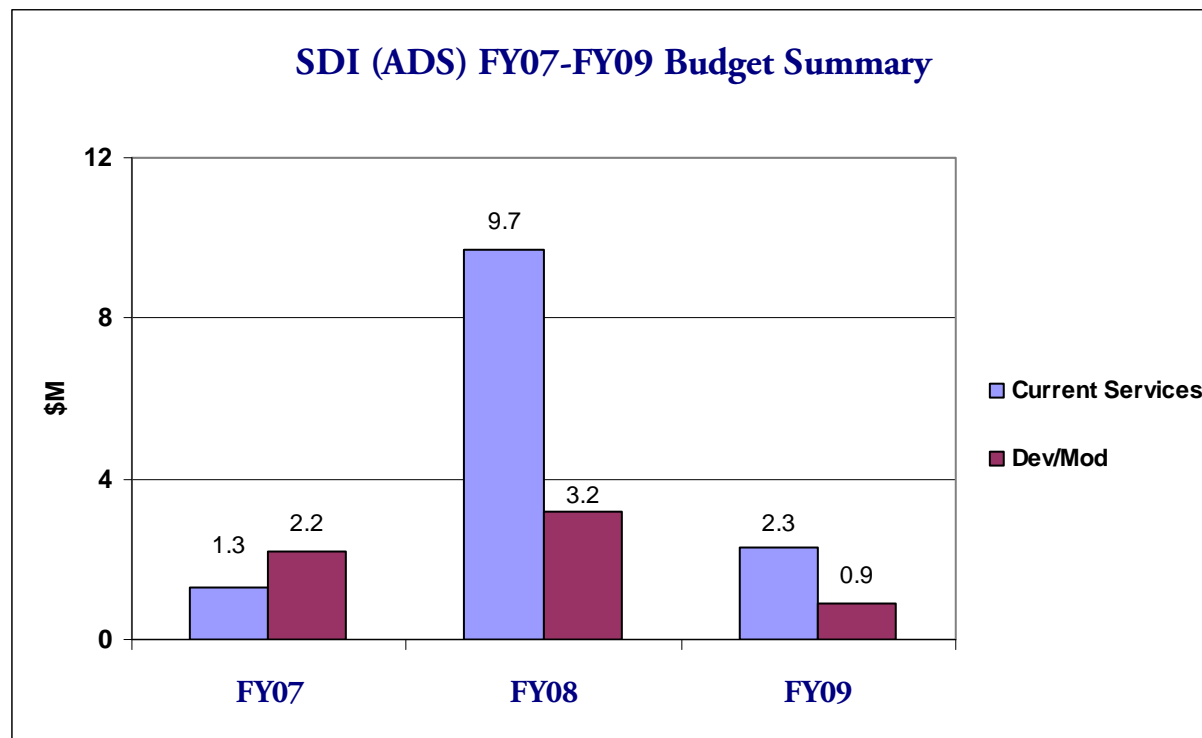
Benefits

SDI will provide a single, standardized tactical disbursing capability to the deployed warfighter and a single, standardized enterprise disbursing system that directly supports component ERPs. SDI will result in standard business processes and standard interfaces with the ERPs systems. Implementation will reduce costs through the retirement of legacy disbursing systems and the elimination of embedded disbursing capabilities within entitlement systems.

Timeline Diagram

Initiatives Do Not Include Legacy Migrations



Standard Disbursing Initiative (SDI)**SDI FY07-FY09 Budget Summary and Details**

The figures for SDI represent the combined budgets for the SDI program and Automated Disbursing System (ADS).

The SDI budget is used to develop interfaces for Navy ERP-\$88K, DIMHRS-\$88K, GFEBS-\$97K and DAI-\$47K. It also funds the Elimination of Standard Finance System-Redesign I (SRD I) at Kansas City, Missouri-\$461K.

Accomplishments/Capabilities Delivered:

- Transitioned the DFAS-KC workload to SDI in Q3 FY08.
- Commissioned the SDI Senior Executive Oversight Committee in Q3 FY08.
- Commissioned the SDI Configuration Control board in Q4 FY08.
- Completed key project management documentation in Q4 FY08.
- Supported development and interface testing of DIMHRS (Army), GFEBS (Release 1.2), DAI (BTA) and Navy ERP Naval Supply Systems Command (NAVSUP) in Q3 and Q4 FY08.
- Gap Analysis of Air Force Cash (use and reporting) in Q3 and Q4 FY08.
- Gap Analysis of SRD I (start) in Q4 FY08.
- Supported implementation of Navy ERP (NAVSUP) in Q4 FY08.

Near-Term Plans:

- Support implementation of GFEBS (Release 1.2) and DAI (BTA) in Q1 FY09.
- Support DIMHRS (Army) Pilot in Q1 FY09.



Standard Disbursing Initiative (SDI)

- Establish plans and milestones for retirement of SRD I at Columbus, Ohio, and Indianapolis, Indiana, in Q1 FY09.
- Support development and interface testing of GFEBS (Release 1.3) in Q1 and Q2 FY09.
- Support development and interface testing of Navy ERP (SPAWAR) and DAI (MDA) in Q2 FY09.
- Support development and interface testing of Navy ERP (NAVICP) in Q4 FY09.

System Metrics

Disbursing System Migration

SDI will modernize target disbursing systems and retire certain legacy and embedded disbursing systems. To support this effort, all technical and system change requests for legacy and embedded disbursing systems are to be incorporated under the authority of the SDI. The disbursing systems incorporated under the SDI are as follows:

- ADS
- DDS

The following systems are targeted for retirement as their functionality is incorporated and/or assumed by the SDI:

- Central Disbursing System (CDS)
- MOCAS (embedded disbursing functions only)
- Marine Corps Total Force System (MCTFS) (embedded disbursing functions only)
- SRD I

The incorporation of these disbursing systems under the SDI also includes any related or required subordinate software or system components such as “add-on” or “bolt-on” capabilities.

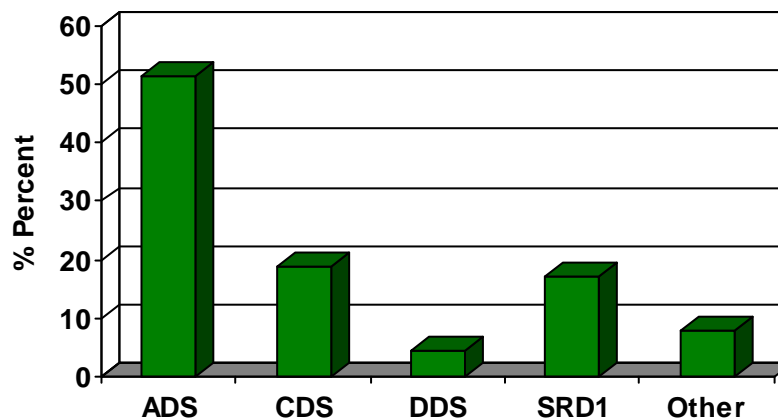


Figure 10-3: Percent of Annual Transaction Volume

DFAS

The Defense Finance and Accounting Service (DFAS) was created in 1991 to reduce the cost of Defense Department finance and accounting operations and to strengthen financial management through consolidation of finance and accounting activities across the Department. Since its inception, DFAS has consolidated more than 300 installation-level offices into 13 and reduced the workforce from about 28,000 to approximately 13,000 personnel.

DFAS's vision is transforming with the warfighter to remain the trusted financial partner for DoD. The current round of Base Realignment and Closure (BRAC) impacts DFAS by integrating many sites into five major centers. The organization will continue to shift its focus to be a joint service provider, to smoothly meet the needs of all the armed services.

Key aspects of DFAS's transformation strategy to achieve the vision include taking a leadership role in standardizing and improving finance and accounting activities across all components of the Department. It also focuses attention on the valuable role DFAS plays in supporting DoD to prevail in the Global War on Terror (GWOT). Equally important are the changes DFAS has made to improve its processes for developing strategy and the Balanced Scorecard (BSC). Those improvements include a clearer connection of the goals and objectives in the strategy to specific measures on the BSC.

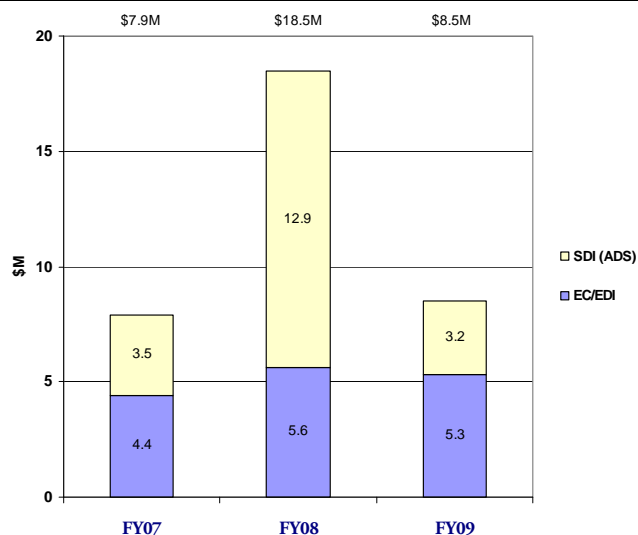
DFAS has five long-term strategic goals, which cascade throughout the organization, assisting in the development, refinement and prioritization of actionable initiatives and allocation of resources. The goals are:

- Support DoD in prevailing in GWOT.
- Lead transformation of finance and accounting functions throughout DoD.
- Perform the DFAS mission at best value for DoD.
- Attain operational excellence in finance and accounting services.
- Attract, develop and retain a highly capable workforce with relevant skills and competencies.

Priorities

- Reduce the Number of Urgent Military Pay Problems
- Improve Financial Performance by Automating Manual Processes, Eliminating Redundancies and Developing Technical Capabilities
- Expand Electronic Commerce (EC) Capabilities
- Promote Process Improvement and Risk Management

FY07-FY09 Budget Summary



The figures for SDI represent the combined budgets for the SDI program and ADS.

Systems & Initiatives

Transformational

- Electronic Commerce/ Electronic Data Interchange (EC/EDI)
- Standard Disbursing Initiative (SDI)

Fully Implemented

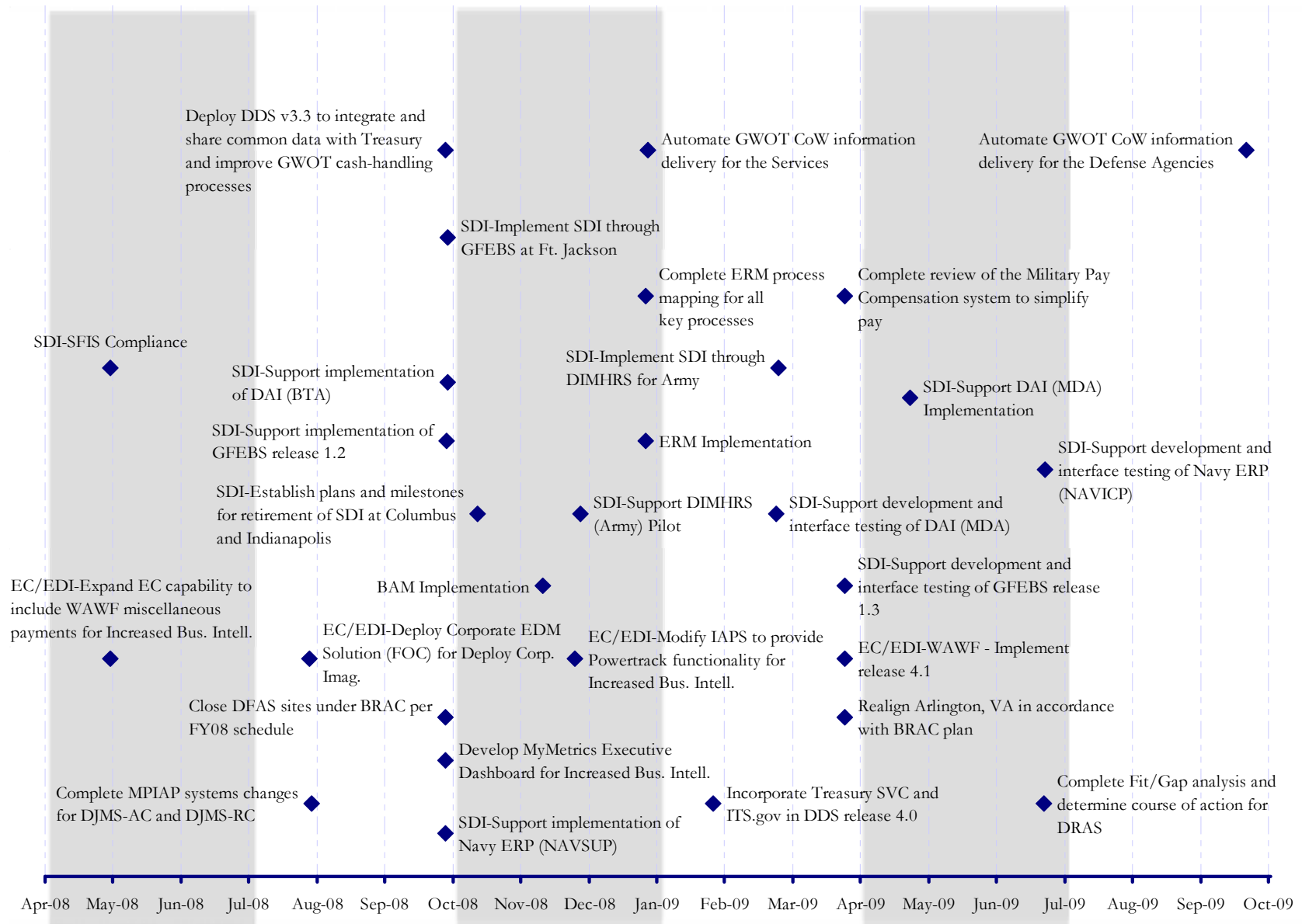
- None

Changes since the March 2008 Congressional Report

DFAS added a fourth priority to highlight its efforts to Promote Process Improvement and Risk Management. The transformational activities that support this priority are Lean6, the Enterprise Risk Management (ERM) program and Business Activity Monitoring (BAM). DFAS is focused on improving its processes and internal controls in order to deliver world-class finance and accounting services and to provide the best possible service to our warfighters.



DFAS Milestone Summary



Case in Point -Standard Disbursing Initiative (SDI)

DFAS has embarked on an important journey. After consolidating most of the disbursing functions into five Disbursing Centers, the agency has decided to further streamline and standardize all of the disbursing services that DFAS currently handles into a single integrated disbursing capability.

The Standard Disbursing Initiative (SDI) will provide tactical and enterprise disbursing services to the deployed warfighter and Components. This includes in-theater placement such as in Iraq and contingency operations such as natural disasters like Hurricane Katrina. The SDI encompasses all current and future disbursing systems, without regard to designation as legacy, embedded, or target disbursing systems, that are operated by the DoD.

The primary systems that currently provide disbursing services are the Automated Disbursing System (ADS) and the Deployable Disbursing System (DDS).

ADS is a proven, reliable and cost-effective solution. It has the ideal architecture for processing large volume files; it is Standard Financial Information Structure (SFIS) compliant and uses the Defense Cash Accountability System (DCAS) for treasury reporting and distribution of financial data to Enterprise Resource Planning Systems (ERPs) and accounting systems.

DDS currently processes all tactical disbursements for the Army and Marine Corps. It provides cash functionality for customers that still utilize cash, it is deployable, meaning it can operate in an offline environment and it will be SFIS compliant in the near future.

In addition to providing enterprise and tactical disbursing services, future plans for the SDI include developing a modernized system architecture that features a web-based front end.

SDI will improve the efficiency and effectiveness of disbursing services for the DFAS customer by streamlining processes and procedures and reducing costs associated with the operation of multiple disbursing systems. It will reduce the number of Disbursing Station Symbol Numbers (DSSN) used by the DoD to one.

SDI supports the ERPs by focusing on the development of standard, repeatable, reusable interfaces. As new ERPs are introduced, they will be able to utilize SDI with minimal changes to their system architecture, thus reducing the cost to DoD.

